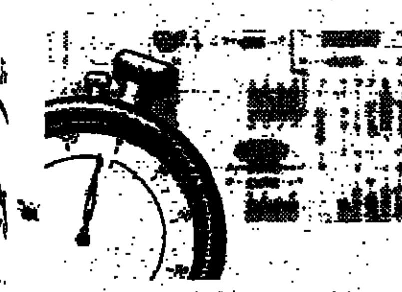


Now that's fast

Fujitsu's new supercomputer

Page 13

Italy in crisis

Why Amato wants special powers

Page 2

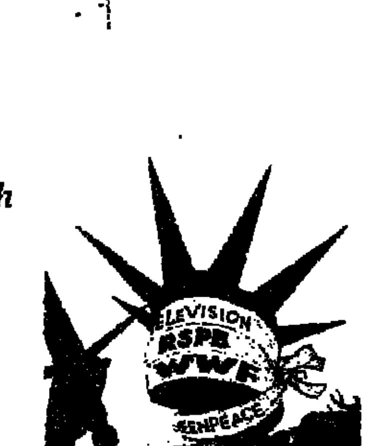
Nordic nightmare

How grand designs came to grief

Page 16

Tomorrow's Weekend FT

Save the tsetse fly: hard truth of animal conservation



FINANCIAL TIMES

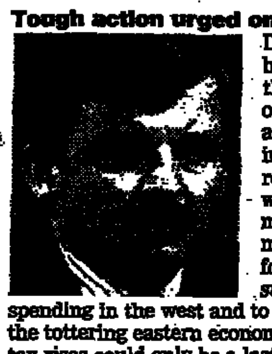
Friday September 11 1992 | EUROPE'S BUSINESS NEWSPAPER | D8523A

ANC prepared to attend summit with De Klerk

The African National Congress agreed that Nelson Mandela, the ANC leader, should accept Pretoria's invitation to meet President F.W. de Klerk to address the question of political violence. The decision represents a victory for the moderate faction of the ANC, which is committed to negotiating a new constitution for South Africa. Page 18; Earlier story, Page 7

Rabin hints at Golan concessions: Israeli prime minister Yitzhak Rabin said he was ready to compromise over territory in exchange for peace with Syria. It is the clearest indication yet that he might make significant concessions on the Golan Heights, captured from Syria in 1967 and later virtually annexed by Israel. Page 7

Tough action urged on German economy



Drastic action must be taken to revive the competitiveness of the German economy and prevent stagnation in the west undermining recovery in the east, warned economics minister Jürgen Möllemann (left). He called for further tough measures to cut public spending in the west and to boost transfers to the tottering eastern economy. He insisted that tax rises could only be a last resort. Page 3

More UN troops urged: UN secretary-general Boutros Boutros Ghali recommended an enlarged peace-keeping force to escort relief convoys in Bosnia-Hercegovina. He said the current 1,500-strong force in Sarajevo could increase as much as five-fold. Vance and Owen arrive in Sarajevo, Page 18

Bush tax cut plan: President George Bush claimed that a one percentage point across-the-board reduction in personal income taxes was achievable if Congress agreed to his proposed cap on mandated federal spending. He was speaking in Detroit about what he called his "agenda for American renewal". Page 18

Internationale Nederlanden Group, Dutch banking and insurance group, is preparing to launch a bid for Banque Bruxelles Lambert. The offer would value Belgium's second largest bank at BFr63.6bn ($2.19bn). Page 19

Refugee hostel attacked: Police arrested 71 rightwing youths after they threw firebombs, fireworks and stones at a refugee hostel in Quedlinburg, east Germany, for the third night running. Page 3

Fujitsu, Japanese computer manufacturer, has developed a supercomputer able to operate more than 20 times faster than its nearest rival. At top speed, it can make more than 350bn calculations a second. Page 18; IBM and Apple offer cheaper ranges of personal computers, Page 21.

Airbus wins orders: Airbus Industrie won an order for up to 10 of its new A340 long range wide body airliners worth about $1.1bn from Philippine Airlines. Page 4

Rhone-Poulenc, French state-owned chemicals group, surprised the Paris market with a warning that it would not achieve its operating profits target for the third quarter this year despite assurances four weeks ago that the figure was achievable. Page 19

Polls back Maastricht: Three new French opinion polls forecast a Yes vote of between 51 and 53 per cent in the country's September 20 referendum on the Maastricht treaty. Minister warns of danger of No vote, Page 4

Iran rift: Iran has angered the six Arab members of the Gulf Co-operation Council over its claims for sovereignty of three islands near the mouth of the Gulf. Page 7

Ferry blown up: Tamil rebels blew up a ferry in east Sri Lanka, killing about 30 soldiers and civilians.

Monsoon deaths: Heavy monsoon rains have killed more than 130 people in northern Pakistan in the past two days.

IMF cash warning: The International Monetary Fund warned that its cash resources could fall to their lowest level in years if member countries did not quickly put into effect the $62bn capital increase they agreed two years ago. IMF board members also criticised the US Federal Reserve for "fine-tuning" the US economy by repeated cuts in interest rates. Page 6

STOCK MARKET INDICES

FT-SE 100:	2,349.8	(+13.1)
Yield	5.19	
FT-SE Eurotrack 100	1,027.59	(+6.17)
FT-A All-Share	1,165.69	(+0.5%)
Nikkei	18,908.47	(+32.92)
New York: lunchtime		
Dow Jones Ind Ave	3,279.77	(+6.38)
S&P Composite	417.13	(+0.77)

US LUNCHTIME RATES

Federal Funds:	3%
3-mo Treas Bills: Yld	2.962%
Long Bond	99 1/2
Yield	7.27%

LONDON MONEY

3-mo Interbank	10½%	(10 5/8%)
Liffe long gilt future:	Sep 96 1/2	(Sep 96 3/2)

NORTH SEA OIL (Argus)

Brent 15-day (Oct)	$20.375	(20.325)

Gold

New York Comex (Sept)	$342.2	(342.2)
London	$342.3	(342.4)

STERLING

New York lunchtime:		
$	1.9775	
London:		
$	1.977	(1.975)
DM	2.7875	(same)
FFr	9.51	(9.495)
SFr	2.47	(same)
Y	243.25	(same)
£ Index	92.1	(92.0)

DOLLAR

New York lunchtime:		
DM	1.4185	
FFr	4.808	
SFr	1.24985	
Y	122.975	
London:		
DM	1.4185	(1.411)
FFr	4.81	(4.8075)
SFr	1.249	(1.251)
Y	123	(123.2)
$ Index	58.9	(58.8)

Tokyo close Y 123.28

Austria	Sch30	Hungary	Ft182	Malta	Lm0.60	S.Arabia	SR11.00
Bahrain	Din1.250	Iceland	IKr180	Morocco	MDh13.00	Singapore	S$4.10
Belgium	BFr60	India	Rs20	Neth	Fl 3.60	Spain	Pta200
Bulgaria	Lvws25	Indonesia	Rp3800	Nigeria	Naira20	Sweden	SKr14
Cyprus	C£1.00	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00
Czech	Kcs35	Italy	L2500	Oman	OR1.50	Syria	SyP50.00
Denmark	DKr14	Jordan	JD1.50	Pakistan	Rs35	Thailand	Bht60
Egypt	E£4.50	Korea	Won 2800	Philippines	Peo45	Tunisia	Din1.250
Finland	FM10	Kuwait	Fils.600	Poland	Zl 18,000	Turkey	L8000
France	FFr8.50	Lebanon	US$1.25	Portugal	Es190	UAE	Dh10.00
Germany	DM3.30	Lux	LFr60	Qatar	QR12.00		
Greece	Dr250						

Italian currency falls below ERM floor despite forced intervention

Banks fail to bolster lira

By Robert Graham in Rome and James Blitz in London

THE Italian and German central banks failed to stop the lira falling below its floor against the D-Mark in the European exchange rate mechanism yesterday, despite intervening to buy the Italian currency on the foreign exchange markets.

The forced intervention by the Bank of Italy and the Bundesbank came even though the Italian government decided on Wednesday to seek emergency powers from parliament which would allow it to rule by decree in the event of an economic emergency.

Yesterday, the four parties in the Italian government coalition appeared to accept assurances from Mr Giuliano Amato, the prime minister, that his request for special powers to tackle an economic emergency would not infringe the sovereignty of parliament.

But neither this, nor last week's rise in Italy's discount rate by 1.75 percentage points, could steer foreign currency speculators away from a conviction that the lira is a candidate for devaluation, whatever the result of the September 20 French referendum on the Maastricht treaty.

The Italian currency closed in London last night at L765.7, below its ERM floor against the D-Mark of L765.4. Both the Bundesbank and the Bank of Italy will be forced to support the lira through intervention today, if the Italian currency is still at this rate when ERM trading opens.

The Bundesbank and the Bank of Italy conducted a modest intervention on the foreign exchanges to support the lira, required under ERM rules.

But Mr Carlo Ciampi, the governor of the Bank of Italy, revealed new tensions with the Bundesbank by saying that German interest rates were "excessively high" and should be cut. Mr Ciampi told a parliamentary committee that "in Germany the task of rebuilding the east must not prevent interest rates falling from their current levels".

Mr Amato appeared before the Senate yesterday morning to explain his proposal. He said the government needed measures to take rapid decisions to cope with fast changing market conditions at a time of economic crisis. He based the idea on a June 1967 decree introduced by the then West German government.

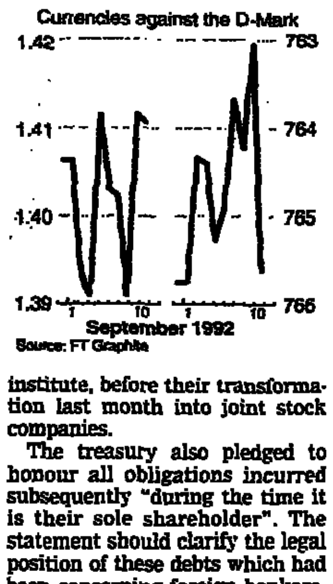
He suggested the Senate and Chamber of Deputies should form a commission, each providing 15 members, in the event of an emergency being invoked to monitor government actions. Under the proposal, the governor of the Bank of Italy would decide when circumstances warranted resorting to the emergency powers.

The government gave no indication on the timetable for submitting the decree to parliament. But if Mr Amato is confident he has the backing of his four party coalition with a 16 seat majority in the Chamber of Deputies, it will be processed quickly. The Party of the Democratic Left (PDS) and its former communist colleagues in the breakaway Reconstituted Communism claimed the proposal was "an attempted coup d'etat".

Mr Achille Occhetto, the PDS leader, said the government was trying to introduce in a hurry fundamental institutional changes at the very moment when parliament had just formed a commission to study such reform. The 60-person institutional reform commission was constituted on Wednesday.

In another development designed to regain credibility in the financial markets, the treasury issued a statement saying it would honour all debt and obligations incurred by IRI, the state holding company, ENI, the state oil concern, ENEL, the electricity authority and INA, the insurance institute, before their transformation last month into joint stock companies.

The treasury also pledged to honour all obligations incurred subsequently "during the time it is their sole shareholder". The statement should clarify the legal position of these debts which had been concerning foreign bankers.



Source: FT Graphite

Italy takes offensive, Page 2
Credito Italiano, Page 19
Capital markets, page 23
Currencies, Page 44

Something fishy with California Sushi

By Robert Thomson in Tokyo

A JAPANESE plan to import frozen sushi from the US is in danger of failing the taste test of the National Food Agency, which guards the borders against foreign rice.

Sushi Boy, an Osaka-based food distributor and retailer, wants to import sushi from California, where the raw fish, mustard and rice ball will be blended in the traditional way and frozen for shipment.

Because the company claims it will be able to sell the sushi for 30 per cent less than local prices, its competitors are alarmed. Sushi purists are also offended by the thought of Californian rice being used as the altar for slabs of tuna.

But the most important barrier is the Food Agency, which has the duty to ensure that Japan's rice import ban is not violated.

There are exceptions to the import ban. Individuals can bring in rice for personal use, and companies are permitted to import prepared rice dishes such as pilaff, as long as at least 20 per cent of total weight is in vegetables or meat.

Importers of prepared dishes must also prove that the rice cannot be easily separated, because the Food Agency is wary of companies attempting to get around the ban by filtering vegetables out of the pilaff and reselling the rice. The agency said its biggest concern in the Sushi Boy case was that the structure of sushi would allow for easy separation of the rice: "We will have to study the company's samples very closely. We want to see exactly how the ingredients are prepared."

The agency, for example, allows imports of curried rice in which the rice and curry are blended, but forbids curried rice in which the curry comes in a separate sachet.

Mr Masahiro Nanba, a manager of Sushi Boy's trade department, said its sushi would easily meet the weight requirements. The average slice of tuna weighs 10 grams, while the rice tips the scales at 23g. He was also confident that the tuna and the rice would not separate in transit: "By freezing the sushi, we should be able to ensure that the two stay together."

Swedish interest rates to stay high says bank chief

By Robert Taylor and Sara Webb in Stockholm

SWEDEN'S short-term interest rates will remain high until the country's government and its parliament agree on a strategy to eradicate Sweden's structural budget deficit over the next two to three years.

This was the message delivered by Mr Bengt Dennis, governor of the Riksbank, the country's central bank, in an interview with the Financial Times yesterday.

Over the past two days, he said, there had been a "satisfactory response in the markets" to the central bank's decision to lift its marginal interest rate to commercial banks to a towering 75 per cent. He added that there had been "a substantial inflow of capital" as a result.

Mr Dennis, aged 62 and celebrating his tenth year as governor this month, is also pleased at the unanimity among Swedish industrialists and politicians in support for the authorities' fixed exchange rate policy and repudiation of devaluation.

"We have learned from experience that devaluation was the wrong policy," he said. He added that "no restrictions" were being imposed on the central bank to use whatever means were necessary to defend the krona.

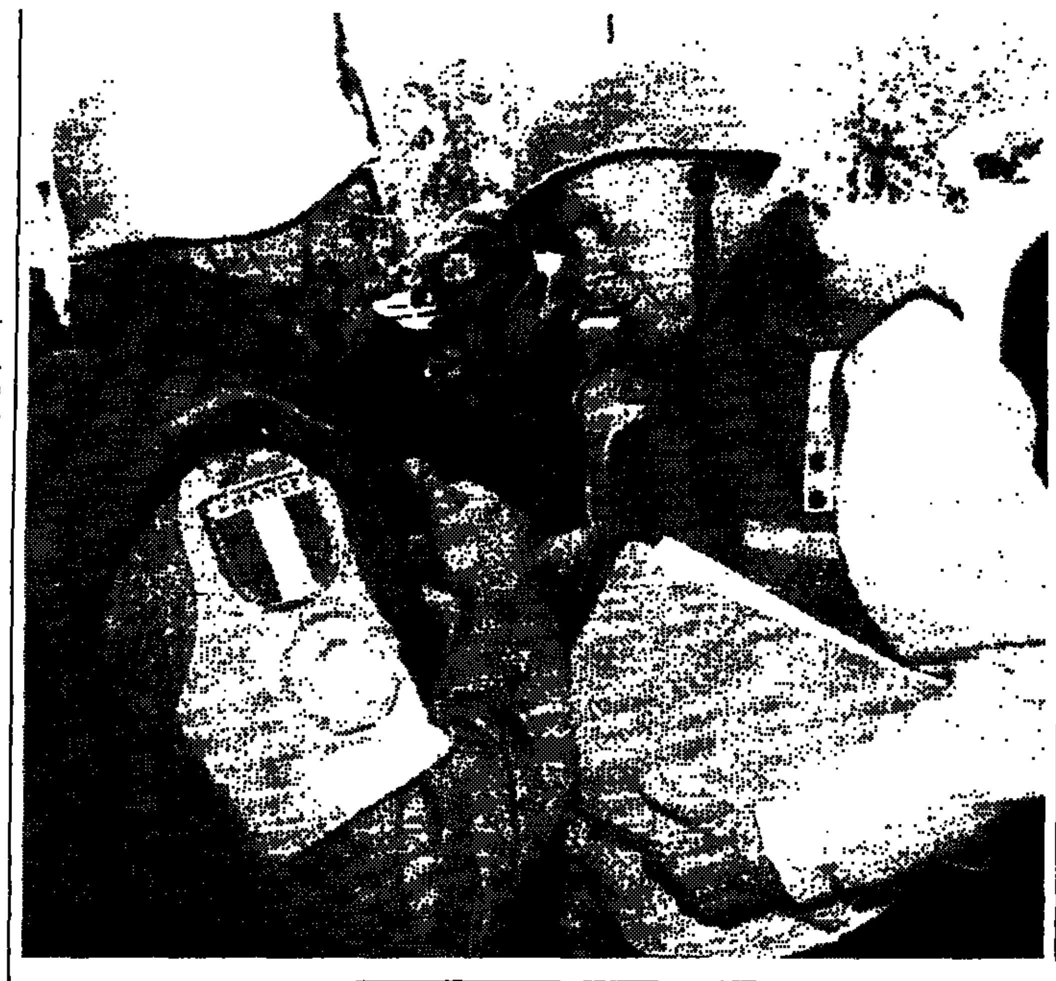
Mr Dennis reaffirmed that Sweden still wanted to have associate status with the European exchange rate mechanism as soon as possible within the narrow 2.25 per cent fluctuation band, with access to support from other central banks and credit facilities. This would be in place before the country joins the European Community, which would be in 1995 at the earliest.

But the governor is anxious for the government to come up with a medium-term plan to eliminate the structural deficit and satisfy the markets.

"The sooner we have such a policy the better", he said, adding that at the moment, there was "no programme, no timetable, nor has parliament agreed on any measures. This is what is troubling the markets".

There was a long way to go before the politicians focused on the budget deficit issue, he said. "They have not got down to seri-

Continued on Page 18
Mortgage market worries, Page 2
Dreams turned to dust, Page 16
Capital markets, Page 23
World stocks, Back page, Section II



United Nations special envoy Cyrus Vance (right) is briefed by a French member of the peace-keeping force after arriving in Sarajevo yesterday with Lord Owen, the European Community mediator. Page 18

Gillette adds Parker Pen to Paper Mate in £285m deal

By Jane Fuller in London and Nikki Tait in New York

GILLETTE, the US toiletries and shaving products group, is writing itself a much bigger role in the world pen market with the £285m ($564m) purchase of Parker Pen. Parker, based in the UK since a $100m management buy-out from its US parent in 1985, said yesterday it had decided against seeking a stock-market flotation.

By adding Parker to its Paper Mate and Waterman brands, Gillette should double, to 15 per cent, its share of the world's $5bn writing instrument market. Parker claims to be the world leader in ballpoint pens and roller balls, making about 53m a year.

Up market, where Parker sports the £3,000 18-carat gold Premier Presidential, it makes 6m pens a year and reckons to rank second to Mont Blanc, which is owned by Dunhill.

Mr Gerry Grimstone, the Schroders director who organised the sale, said that when £15m to £20m of profit-related payments were added to the purchase price, plus the assumption of £45m debt, the deal was worth £340m.

Mr Jacques Margry, Parker's chairman and chief executive, who owns 2½ per cent of the company, said flotation had been rejected because it would have raised only about £265m. Venture capital companies which backed the MBO would have had to wait too long to realise their investment.

Parker was nearly sold to Pentland Industries for about £180m in 1988, but the deal foundered on warranties and indemnities.

Mr Margry started with Parker 43 years ago "in the service department learning how to dismantle and maintain pens", then predominantly fountain pens and propelling pencils.

As area manager in Europe, he felt the US parent company – which changed its name from Parker Pen to Manpower after it sold the pens business – erred in the 1980s when it tried to push the pens downmarket, a fiercely competitive segment suited to mass production experts such as Bic. "After the MBO, we returned to our origins, which was to make good quality pens."

In its last year under its US parent it lost $20m. In the 12 months to February 1992, Parker made £29.5m pre-tax on sales of £181m. About 60 per cent of Parker's sales are in Europe, 17 per cent in North America, 15 per cent in Asia and the Pacific and 8 per cent in Latin America.

Paper Mate sales, which are strong in North and Latin America, concentrate on products costing $5 or less. Waterman's greatest strength is in the $50-plus segment. Parker sells heavily in the $5 to $50 range.

Boston-based Gillette bought Paper Mate Pens in 1955 and the Waterman Pen Company in France in 1987. Last year, its stationery products division had sales of $460.3m and operating profits of $48.8m.

The beneficiaries of the sale will be Parker's management, which owns 31 per cent, Schroder Ventures with a similar amount, the Parker family 16 per cent, and Electra and Chemical Ventures, 10 per cent each.

The deal must be approved by regulators in various countries.

CONTENTS

Sweden awaits return of 'hot money'

By Sara Webb in Stockholm

SWEDEN'S commercial banks have a total of SKr46.6bn (£4.56bn) in borrowings outstanding from the Riksbank, the central bank, but the Riksbank's graduated ladder of interest rates means that only SKr1.6bn of these funds attract the top marginal rate which yesterday reached 76 per cent.

A rate of 75 per cent applies to the next SKr4.4bn of borrowing. As the banks borrow more from the Riksbank, the higher rates of interest come into play.

Each individual bank has its own interest-rate scale which is set according to its capital base.

Riksbank officials estimated that the average overnight lending rate would be about 22 to 24 per cent for banks borrowing from the central bank.

The central bank governor, Mr Bengt Dennis, refused to comment on how long the marginal rate would be kept at such a high level.

However, there was speculation in the financial market that the marginal rate may be lowered in stages after the weekend.

The effect of the rise in the marginal rate was to push up money market rates, and draw so-called "hot money" back to Sweden.

Foreign and domestic investors bought Treasury bills and forward contracts on the Swedish krona in order to take advantage of the high returns currently available.

Foreign and domestic investors were described as enthusiastic buyers of the Treasury bills during Wednesday and yesterday.

The rate on three-month Treasury bills ended at 24 per cent yesterday. This compared with less than 15 per cent on September 1.

The rate on six-month Treasury bills reached 19 per cent yesterday. The Riksbank said investors had also been buying forward contracts on the Swedish krona in order to benefit from the difference in currency interest rates.

According to Mr Dennis, the decision to raise the marginal rate to such high levels was intended "to send a very strong signal to the market that we mean business" and to deter speculation in the currency.

Warning over serious impact on economy

By Robert Taylor and Sarah Webb in Stockholm

MR Lars Jagren, economist at the Federation of Swedish Industries, said the large leap in interest rates would have a serious "negative impact" on the Swedish economy.

"Even if the rates come down, it is unlikely they will come down to their previous level (of 13 per cent in the marginal rate) immediately."

He warned that the high rates will curb consumer demand – which is already weak – and probably lead to an increase in the number of bankruptcies, a rise in unemployment (currently at a historic high of 5.8 per cent) and a further decline in property prices.

The impact is likely to be much greater on smaller companies than on the big groups, many of which are well insulated from the turbulence in Sweden because a high proportion of their income comes from abroad.

Corporate Sweden was adopting an unconcerned attitude yesterday to the new high short-term interest rates.

Indeed, there was overwhelming public support from the large private companies for the central bank's drastic action.

"Sweden needs the large companies but the large companies don't really need Sweden any more," explained Mr Marcus Storch, chief executive of Aga, the industrial gas group. Only about 10 per cent of his company's activities are within Sweden. "We are little affected by what is happening in the Swedish market. Aga can live with the interest rates but I am less sure about our domestic customers." For Sweden's internationally-renowned blue-chip companies like Volvo, Electrolux, Saab-Scania and Astra, the draconian domestic interest rates play little part in their calculations.

"The short-term interest rate rises have no impact at all on us," said Mr Klaus Dahlback, chief executive of Investor, the largest Swedish investment company in the Wallenberg sphere of interest. "We fully support the action the central bank has taken."

Some companies could make short-term gains from the high rates as long as they have liquid funds that can be used in the money markets.

"The short-term interest rates actually have a slightly positive effect on our business," said Mr Staffan Ternby, vice-president at Astra. "We have substantially more liquid funds than any interest bearing short-term liabilities".

Mr Lars Ramqvist, chief executive at Ericsson, the telecommunications giant, agreed. "We are in a fortunate position with a good liquid cash situation.

"We can even gain in the short term from these high interest rates." But he added that he supported the high interest rates as a "warning signal to Sweden".

"It is better for us to stick to the present exchange rate value."

MANY of Sweden's bank customers are worried that the unprecedented increase in the marginal rate – the rate at which the central bank lends to other banks – would be reflected in higher interest rates on home loans and mortgages, Our Foreign Staff writes.

Svenska Handelsbanken, one of the biggest commercial banks in Sweden, told customers yesterday that if they wanted to take out new loans, the bank would not be able to provide any indication yet of where the interest rates would be pitched.

Some mortgage lenders have already acted on the news and raised mortgage rates. Statshypotek, a mortgage lender, raised its rate from 17.5 per cent on Tuesday to 24 per cent yesterday. Sweden's main savings bank raised rates on personal loans by 2.5 percentage points to 18-20 per cent.

Italy takes the offensive in battle for its currency

The government has stirred even the most somnolent back-benchers with its latest effort to streamline economic decision-making, writes Robert Graham

MR GIULIANO Amato, the Italian prime minister, has taken a leaf from the military textbooks: when out-numbered, surprise is the best form of attack.

In proposing on Wednesday that parliament approve a law delegating to the cabinet wide powers in the event of an economic emergency, Mr Amato has stirred even the most somnolent back-benchers.

Yesterday, the 54-year-old Socialist prime minister had to deploy all his considerable talents to explain his intentions. The partners in the government coalition – the Christian Democrats, Socialists, Social Democrats and Liberals – swung behind him as parties. But individual party members voiced misgivings, while the opposition Reconstructed Communism declared the move an "attempted coup d'état".

Nevertheless, Mr Amato's move has placed on the table an issue which parliament can ignore only at the nation's expense. The government says existing legislative procedures are out of step with the rapid decisions necessary at a time of financial turbulence. Italy faces a foreign exchange crisis.

The lira has hovered at its floor in the European Monetary System for two months and the discount rate has been raised since last week to what is seen as an unsustainable 15 per cent.

This situation has been triggered by scepticism in the financial markets about the ability of any Italian government to carry out tough measures to reduce a huge debt and improve public finances, to bring the country into line with its European partners.

Part of the scepticism derives from the record of successive Italian governments who have ducked unpopular measures despite promises of mending their ways. But the markets are also worried about the time it takes the government to turn policy into legislation.

For instance, the law allows parliament three months to debate the annual budget, and parliamentary procedures allow amendments, which can emasculate the original proposals. Italy's coalition governments with narrow majorities (the Amato government has a 16-seat majority in the Chamber of Deputies) also mean that special interest groups can enjoy disproportionate influence.

The procedures themselves are time-consuming. Debates in commission and full house are repeated in the Senate and the Chamber of Deputies. Thus the emergency economic package designed to raise an extra L30,000bn was announced on July 10 and the government used a vote of confidence to push it through in record time, but even so, it took a month.

The situation is more dramatic now. On July 10 the government announced its intention to reform pensions, public health, local administration and the civil service as the centre piece of money-saving in its 1993 budget.

Mr Amato is hoping to obtain parliament's approval for delegated authority to provide the details of these reforms; but parliament still has to approve the outline reforms. Until this is done, the budget cannot be properly prepared, and this has to be presented to parliament by the end of the month.

The current state of nervousness, compounded by worries over the French referendum on Maastricht, has forced the government to behave like a conjuror pulling rabbits out of a hat. This lay behind the cabinet decisions on Wednesday to try to appease the markets with a plethora of measures and intended measures.

These included the selling-off of Credito Italiano, one of the top five commercial banks, and Nuovo Pignone, the heavy engineering subsidiary of ENI, the state oil concern.

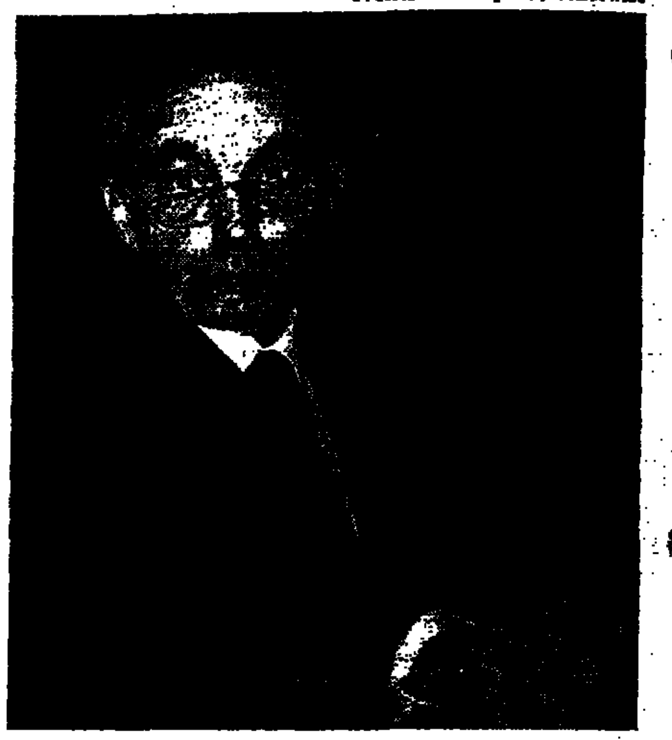
Equally, the absence of sufficient evidence from Italy's body politic to confront tough decisions was reflected in yesterday's performance of the lira, which again touched its floor against the D-mark in the ERM.

Yesterday, Mr Amato told the Senate he was aware of their concerns that the emergency powers should not be to the detriment of parliament's sovereignty.

He proposed 15 representatives of each house should form a monitoring committee in the event that the law be approved and invoked.

Further, he insisted that it would be for the governor of the Bank of Italy, as an impartial observer, to decide when circumstances merited the government invoking emergency powers.

But he warned that the interdependence of international economies meant Italy had to respond to fast-changing events with speed, otherwise "there could be real damage affecting employment, raising prices, labour costs, inflation – effects which only can be avoided by measures which are introduced immediately".



Prime Minister Giuliano Amato: his logic is hard to dispute

At present, the Bank of Italy is the sole institution with such powers of quick response, but these are limited to monetary and foreign exchange intervention.

Mr Carlo Azeglio Ciampi, governor of the Bank of Italy, yesterday was cautious in assuming the role of arbiter thrust upon him. Mr Ciampi, who has been outspoken in calling on politicians to endorse an effective economic policy, suggested a collegiate structure might be more appropriate to judge when the government might invoke emergency economic powers.

Mr Amato's logic is hard to dispute and even if the proposal is rejected, he has succeeded in rudely reminding the politicians what is at stake. With its existing parliamentary mechanisms and internal party bickerings, Italy has few tools left to avert a sustained and worsening foreign exchange crisis.

On the other hand, if the measure is approved, it will be one further nail in the coffin of the traditional exercise of party power in Italy and could encourage greater technocratic government – an example which the two months of Amato government have already set.

Greek government under fire

Kerin Hope on ex-ministers joining the attack on pension reform

GREECE'S conservative government, wrestling with the public sector unions over pension reform, has come under attack from a group of prominent ex-cabinet ministers opposed to its tough new economic policy.

The dissidents claim they represent the ruling New Democracy party's social conscience. But their populist call for gentler handling of the economy, if heeded, could wreck Greek efforts to meet the Maastricht targets for European union.

In August, Prime Minister Constantine Mitsotakis, after months of prevarication, finally gave the green light for launching painful reforms urged by the European Commission and the International Monetary Fund.

A revenue package, including a 30 per cent increase in petrol prices, was followed by privatisation of the strike-plagued Athens bus company. The dismissal of 8,000 workers, the first large-scale purge of public sector workers for many years, set the stage for a decisive confrontation between government and the unions.

The measures also provoked the populists in New Democracy, a party still dominated by old-fashioned patronage politicians, to step up their campaign to undermine the technocrats who have taken over at the economic ministries.

Divisions in the party deepened as Mr Mitsotakis moved away from the populist faction – whose *laissez faire* approach to the economy influenced his first two years in office – to back Mr Stefanos Manos, the economy minister, and his energetic team drawn from outside the New Democracy ranks.

The dissidents this week publicly criticised the new pension law being debated in Parliament.

Although the legislation was approved in principle yesterday, both Mr Athanassios Kanellopoulos, former deputy prime minister, and Mr Antonis Samaras, former foreign minister, have said they will oppose several of its clauses.

The political atmosphere is already highly charged after two weeks of strikes by workers in the power company, state-controlled banks, transport and telecommunications organisations which are crippling industry and disrupting everyday life.

While the populists say they are as enthusiastic as anyone in Greece about European union, they appear reluctant to accept that only a radical overhaul of the pension system can have an impact on reducing the public-sector deficit and overall debt in accordance with Maastricht requirements.

This year Greece will spend almost 15 per cent of the country's gross domestic product on pension outlays, the largest single item of government spending. The population is ageing faster than in any other EC country. The main pension funds, chronically short of contributions and often mismanaged, are sunk in debt.

It is clear the government cannot afford to maintain the generous policies of the past, with many public-sector workers receiving pensions equivalent to 90 per cent of their salaries well before reaching their sixties. The new law, drafted with the help of advisers from the IMF, Britain and Germany, aims at gradually raising the retirement age to 65. Contributions will be increased, while new entrants to the workforce will have to accept that in future pensions will represent a much smaller percentage of salaries.

However, strong unions like the electricity and bank workers, able in the past to secure extra wage increases and special benefits from the ruling party because of their power to bring the economy to a halt, are fiercely resisting reform.

Moreover, Mr Andreas Papandreou, the opposition leader, has been quick to exploit the unions' challenge, calling on members of his Panhellenic Socialist Movement to take to the streets in support of the strikers.

Despite his avowed support for Maastricht, Mr Papandreou has boosted the unions' cause by pledging to repeal the pensions law if he returns to power.

Arctic seas show 'no N-radiation'

THE first Western researchers to investigate the Arctic waters north of Russia for nuclear waste said yesterday that preliminary tests showed no radiation from such waste believed dumped by the Soviet Union, AP reports from Oslo.

A Norwegian-Russian team returned to Kirkenes in Arctic Norway yesterday after a three-week expedition in the Kara Sea, a formerly closed area near Russian naval bases and a nuclear weapons test site, the Norwegian news agency NTB reported.

A Norwegian official said the scientists were only allowed to take samples at 11 points selected by the Russians, and were denied access to the most interesting areas.

Greenpeace has claimed that the Soviets dumped 17,000 containers of atomic waste, as well as 15 nuclear reactors, in the Arctic oceans. Mr Aleksander Mikhailov, a nuclear safety official in the Russian port of Murmansk, has said that the Soviet Union dumped radioactive waste in the Kara Sea as recently as last summer.

Murdered man mourned only by communist faithful

Poland's old party hands bury ex-premier

By Christopher Bobinski and Anthony Robinson in Warsaw

MOST OF the leaders of former communist Poland yesterday paid their last respects to Mr Piotr Jaroszewicz, the former prime minister who was murdered with his wife 10 days ago. However there were some conspicuous absentees, with neither the Polish state, nor the government, nor the army in attendance. As a communist, he was also buried without benefit of clergy.

Farewells were left to the old party cadres. Mr Edward Gierek, the former communist chief, tanned and relaxed, signed autographs for his ageing admirers. General Wojciech Jaruzelski, the general who briefly interned the 1970s leadership during martial law, hovered discreetly in the background as did his prime minister Mr Mieczyslaw Rakowski.

But the man who best captured the fears stirred up by the murders was Mr Jerzy Urban, the mouthpiece of the regime during martial law and now the publisher of a highly-successful but scurrilous weekly. His tiny, rotund figure and bald head was practically invisible behind a wall of mean-looking bodyguards.

The still-unsolved murder shocked Poles, including those who cordially detested the humourless, Moscow-loyal apparatchik who together with Mr Gierek, picked up the pieces after police suppressed the 1970 Gdansk shipyard revolt.

The bloody street fighting led to the downfall of party boss Wladyslaw Gomulka, whose son was among yesterday's 5,000-strong crowd of mourners. More important, it fatally undermined the prestige and long-term survival of communism in Poland and beyond.

Once in power, Mr Gierek and Mr Jaroszewicz turned to western bankers and government export-credit agencies to prop up their shaky regime. They sought finance to import western factories and consumer goods. Western bankers, flush with Arab oil money, were pleased enough to oblige.

Unfortunately, such transplants were not enough to heal the underlying sickness of the communist economy and the $20bn borrowed in the Gierek-Jaroscewicz years ballooned into $46bn through accumulated unpaid interest. Significantly, bankers were not among yesterday's mourners and sent no flowers.

Former Polish communist leader Edward Gierek throws earth on the coffin of murdered former prime minister Piotr Jaroszewicz in Warsaw yesterday

Ukraine may bring back state controls

By Chrystia Freeland in Kiev

THE Ukrainian government is to reintroduce state control of wages and prices, according to an economic action plan to be presented to parliament next Tuesday.

The economic blueprint reflects the pragmatic and heavy-handed approach of its author, Mr Valentyn Symonenko, first deputy prime minister.

The proposals of his more reformist predecessor, Mr Volodymyr Lanovoy, were praised by western experts but strangled by government infighting. However, Mr Symonenko, who has been granted wide powers to rule the Ukrainian economy by decree, has already won the approval of Mr Leonid Kravchuk, the Ukrainian president, and Mr Vitold Fokin, the prime minister. If parliament backs his proposal next week, the plan will represent an unprecedented political consensus on what to do with Ukraine's faltering economy. Mr Symonenko has warned that Ukraine has fallen victim to a dangerous inflationary spiral of rising wages and prices.

In a diagnosis that echoes the International Monetary Fund's report on Ukraine, the plan identifies the ballooning budget deficit, the collapse of the financial system and the deterioration of inter-republican trade as the main sources of Ukraine's economic malaise. When the IMF visited Kiev last week, their request for a written copy of the programme was denied. The IMF has yet to see the complete programme.

Mr Symonenko's remedy is, in the short-term, to tighten administrative control over all sectors of the economy. In the long term, the plan insists that Ukraine is headed for a market economy and views privatisation and the introduction of a separate Ukrainian currency as the main forces to propel it along that path.

Mr Symonenko's plan calls for stricter limits on the emission of credit and a curbing of the budget deficit, already running at Rbs69.6bn.

Concrete proposals for reining in the deficit include ending the disastrous practice of allowing state enterprises to cover their own financial shortfall out of the government's budget, restricting industrial and agricultural subsidies, which currently place the greatest strain on the budget, and making the funding of all government programmes conditional on the government having sufficient revenue.

Astra satellite system feeds nearly 40m European homes

By Raymond Snoddy

NEARLY 40m European homes will be receiving satellite television from the Astra satellite system by the end of this year, according to a new survey, The study by Carat, the media group, and the London-based Continental Research covered a total of 19 European countries including Poland, Hungary and Czechoslovakia. The survey, which brings together data on homes receiving multi-channel television direct from satellite, through cable networks and using communal aerials, says the total will be 39.2m by the end of the year, more than 25 per cent of all television homes.

'Tax meter' unveiled to expose Italian dodgers

By Robert Graham

THE Italian finance ministry claims to have perfected a device to catch tax-evaders.

It is called a "redditometro" – literally an income measurer – but more aptly it might be termed a "taxmeter".

In essence a computer model of a person's income is drawn up on the basis of their possessions and the cost of their maintenance.

This is then measured against that individual's declared income. If projected income exceeds more than 25 per cent of declared income, then the tax-payer will be called to explain.

Against the back-drop of continuing large-scale tax evasion the authorities want to have a reliable means to check declared income against real earnings.

The government has previously relied on an unsophisticated system of assessing "real" income, backed up by casual checks from finance ministry inspectors.

According to Mr Giovanni Goria, the finance minister who announced the new "taxmeter" after Wednesday's cabinet meeting: "The real novelty is not so much in the philosophy but in its application which can now be applied on a vast scale thanks to all the information technology available to the ministry."

Within a month of the proposal being approved by parliament, the tax authorities will start sending a questionnaire to people suspected of evading taxes asking for details about the size of the home and nature of ownership, possession of cars, motorcycles, yachts, helicopters and aeroplanes as well as household help.

Each item is graded on a scale of one to 10 to form the model projection of the contributor.

Interestingly, the only items to be graded the potential maximum 10 points are insurance policies and life insurance premiums – and indeed the latter if divulged provide an accurate indicator of wealth.

Another indicator, telephones and telephone bills, are excluded.

But already the finance ministry has threatened to check a taxpayers' electricity consumption to check the size of homes.

Critics argue the "taxmeter" blurs the distinction between checking wealth and income while the government maintains that in a country where there is chronic tax evasion the assessment of wealth must be used as a means to establish income.

The authorities have carefully chosen to ask people to declare those items whose ownership can be easily checked in existing registers.

Successive Italian governments, partly reflecting the authoritarian controls of Mussolini times, have established an ever growing jungle of bureaucracy surrounding the purchase of items like cars, the transfer of property or the supply of public services. Italians are asked to divulge a large number of intrusive details about themselves.

However, until now the country's tax authorities appeared never to have co-ordinated such information.

In theory, computers have made this possible. But equally the tax authorities' threat to be more intrusive could encourage the evaders to be even smarter, and in turn create even more bureaucracy.

The Financial Times (Europe) Ltd
Published by The Financial Times (Europe) GmbH, Frankfurt Branch, Nibelungenplatz 3, 6000 Frankfurt-am-Main 1; Telephone 49 69 156850; Fax 49 69 5964481; Telex 416193. Represented by E. Hugo, Managing Director. Printer: DVM GmbH-Hürriyet International, 6078 Neu-Isenburg 4. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1992.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

هكذا فعل القتل

Möllemann warns of German stagnation

By Quentin Peel in Bonn

DRASTIC action must be taken to revive the competitiveness of the German economy, and prevent a vicious circle of stagnation in the west undermining recovery in the east, Mr Jürgen Möllemann, the economics minister, warned yesterday.

In a thoroughly gloomy assessment of the state of the German economy, he called for further tough measures to cut public spending in the west, to boost transfers to the tottering eastern economy, and insisted that tax increases could only be considered as the very last resort.

"The economy in west Germany is stagnating," he declared. "Most of the economic indicators point downwards. The expected relief from [increased] exports is not within reach." As for east Germany, it was still far removed from any self-sustaining recovery.

"The danger exists that our entire productive capacity will be overtaxed for the foreseeable future."

As the government, opposition, industry and trade unions appeared to be manoeuvring towards the negotiating table to thrash out Chancellor Helmut Kohl's proposed "solidarity pact", further details emerged on the plight of the east German economy.

The new Institute for Economic Research in Halle warned that the collapse of eastern industrial production could get worse. The key engineering sector had been badly hit by the collapse in trade with eastern Europe: in May this year, it was producing just 25 per cent of its monthly output for the second half of 1990.

Mr Wolfgang Roth, the economics spokesman of the opposition Social Democratic party (SPD), called on the German government to make industrial recovery in the east the highest priority on its agenda. A pick-up in service industries, retail trade, banking and insurance could not provide the basis for a genuine economic revival, he warned.

He said the government must admit the full plight of the eastern economy, and the mistakes in its own policies, to make the planned round table talks on a solidarity pact meaningful.

Mr Theo Waigel, finance minister, made it clear that the government was hoping for agreement on an outright wage freeze from the talks, the planning for which will begin next week.

Mr Möllemann spelt out a string of tax reforms for industry he wanted, in addition to the corporation tax reform for 1994 announced by Mr Waigel, which would cut the rate from 50 to 44 per cent.

The trade unions, on the other hand, are adamant that a solidarity pact must involve sacrifices from industry and the well-paid.

Right-wing violence flares up

RENEWED violence against asylum-seekers has flared again in east Germany, Leslie Colitt writes from Berlin. For the third day, nearly 100 young right-wing extremists hurled incendiary bombs, fireworks and stones at a hostel for asylum-seekers in Quedlinburg, Saxony-Anhalt, late on Wednesday night.

Police arrested 71 youths, one of whom is being frisked in the picture above. About 200 local people looked on as the assault took place. Some shouted encouragement but most stood passively, according to the authorities.

Many voices go into a Bundesbank utterance

By David Marsh

THE Bundesbank's slab-like headquarters on the outskirts of Frankfurt gives the German central bank the look of a monolith. However, the bank makes its views known to the outside world in a bewildering multiplicity of ways. This is primarily because of its pluralistic way of making decisions.

When, as in recent weeks, a variety of Bundesbank views ricochet onto the foreign exchange markets from several different angles, the central bank can stand accused of inconsistency.

Worse, when remarks from the centre of the Bundesbank appear to be contradicted by those from the periphery, the central bank can appear to be organising some form of conspiracy.

The appearance of raggedness is an inevitable result of some deep-rooted ambiguities in the bank's management of Germany's current economic problems.

On the one hand, the central bank welcomes the concept of stabilising exchange rates within the European Monetary System in a way which will maximise anti-inflation discipline. On the other, it wants the EMS to remain capable of organising occasional exchange-rate adjustments to allow for differing economic performances among member countries.

Because its short-term priority is to keep exchange rates stable, the Bundesbank has no interest in furthering speculation that it is trying to engineer an EMS realignment.

Nor does it want to strengthen the view that another increase in its Lombard rate may soon be on the cards. This is why Mr Helmut Schlesinger, the Bundesbank president, agreed at the weekend that the Bundesbank would not raise its interest rates "in present circumstances".

Even though Frankfurt money market rates are just under the 9¾ per cent Lombard level, another increase in the rate looks unlikely, in view of strong signs of stagnation in the German economy.

The Bundesbank is equally opposed, however, to creating the impression that it is allowing pressure from foreign finance ministers to dictate its anti-inflationary monetary policies. This explains why Mr Schlesinger this week has been at pains to point out that his Bath declaration added nothing to a statement already made 10 days earlier.

An important reason why Bundesbank policy utterances can appear confusing is its federal structure. The central bank takes monetary policy decisions every other Thursday on the basis of majority voting by its 18-man governing council. Each representative has one vote – which means that each member theoretically carries the same weight in, effectively, determining interest rates around Europe.

The 11 presidents of state (Länd) central banks, at present reduced to nine by death and retirement, who sit on the council have become in recent years much more outspoken.

Many of them now employ their own advisers and press spokesmen to make sure their frequent utterances are given play in the media.

Some of them weigh their words less carefully than the ultra-cautious Mr Schlesinger. In addition, their remarks – either on or off the record – can be influenced not just by the criterion of maintaining monetary rectitude, but also by personal and political controversies around the council table.

All this means that leaks and indiscretions about the Bundesbank's views on a possible EMS realignment are likely to continue. The Bundesbank has always been sceptical about whether Britain could accept the anti-inflation discipline inherent in the system. Mr Karl Otto Pöhl, Mr Schlesinger's predecessor, predicted two years ago that full British membership of the ERM could lead to "mass unemployment and enormous payments problems" in Britain.

As far as the chances for sterling or lira devaluation are concerned, the formal Bundesbank view, and the private feeling of most Bundesbank officials, is that the decision on realigning is basically up to individual countries.

The Bundesbank can, however, hardly pretend that EMS tension is above all a problem for others, since its high interest rates are a principal cause of the present turmoil.

The central bank is not hatching a conspiracy to bring the EMS to its knees. But, if the EMS does suffer a breakdown in the next few weeks, the Bundesbank can hardly claim to have been nowhere near the scene.

Issing firm on targets

By Andrew Fisher in Frankfurt

THE Bundesbank will not be deflected from its policy of pursuing firm monetary targets by outside criticism or failure to meet these in the short term, Mr Otmar Issing, a director of the German central bank, said yesterday.

He told economists in Hamburg the Bundesbank's concept of setting medium-term goals in line with expected growth in production was founded in solid theory and had helped achieve the monetary stability to which the Bundesbank was committed by law.

This strategy would not only be appropriate as part of a European monetary union, he added, it was "without any convincing alternative". Mr Issing spoke as financial markets continued to be nervous ahead of the French referendum on Maastricht and as speculation continued about the Bundesbank's intentions.

In a magazine interview, Mr Eberhard Martini, head of the German Banking Association, said he expected the high discount and Lombard rates to be cut at the start of 1993 at the latest and "perhaps already in December". He cited signs of moderation on the wage front, notably union concessions to help Lufthansa master its current crisis.

The Bundesbank has lifted German interest rates to present record levels – the Lombard rate is at 9.75 per cent – to curb inflation and dampen monetary growth.

Mr Issing said domestic influences on inflation, expected to average 3.5 per cent in 1992, showed "anything but cause to sound the all clear". Inflationary relief came almost wholly from abroad; in July, import prices were 4 per cent down on a year ago.

He denied the Bundesbank was operating too rigid a policy based on "sticking blindly" to monetary targets. The central bank also considered other factors. That a monetary target could not be achieved in a particular period did not render the bank's concept obsolete.

A rumour gets going, unnerves the markets, and is finally squashed

By James Blitz, Economics Staff

FOREIGN currency dealers are well known for having an attention span of two minutes. But yesterday, they were still discussing a news story which surfaced on Wednesday night, suggesting the Bundesbank wanted to see a devaluation of several European currencies, including sterling.

The story, published by an Anglo-French news agency on Wednesday, immediately pushed the pound and the Italian lira down to new lows. Both currencies recovered during trading in the North American market after the Bundesbank, the UK Treasury and the Bank of Italy issued strong denials of the rumour.

But the episode illustrated how nervous foreign exchange dealers have become in the run-up to the French referendum on Maastricht on September 20. "Rumours like this are coming in every 10 minutes in this market," said Mr Jim O'Neill, head of research at Swiss Banking Corporation in London. "Rumours usually don't affect the foreign exchange market with this frequency or intensity."

At 4pm on Wednesday the AFX news agency, run jointly by Agence France-Presse and Extel, issued a short story through its Frankfurt office. This said that Bundesbank sources saw a realignment of the European Monetary System as necessary, regardless of the result of the French referendum. The source was quoted as saying that the Bundesbank believed the lira, peseta and sterling were "all candidates for devaluation".

AFX had not directly interviewed a member of the Bundesbank. Its story came from an internal circular written by an unnamed European bank. Yesterday, the news agency refused to reveal its source, although several dealers suggested the circular might have come from a big French commercial bank.

The report only came to the attention of the market at about 4.15pm, after it was run by the Oracle television text service run by Britain's Independent Television News. According to some market sources, the Oracle text compressed the agency report, omitting its indirect nature.

A few minutes later, it was picked up in this form by the London stock exchange's Topic news service and came to the direct attention of the markets.

Sterling dipped to DM2.7808, its lowest point against the D-Mark since Britain joined the Exchange Rate Mechanism. The lira was also heavily sold and fell below L765, close to its ERM floor of L765.40.

At 5.30pm, both currencies started to recover as the Bundesbank, the Bank of England and the Bank of Italy issued separate statements saying a realignment of the ERM was out of the question. But there was intense pressure on both currencies throughout European trading yesterday.

Analysts said the market had heavily over-reacted to the report. However, its timing explained its impact. "At some time in the next few weeks, we will either see a realignment of the EMS or the Bundesbank will bring interest rates down," Mr O'Neill said. "Anything which convinces the market of one outcome or the other is bound to be sensitive."

Sapin foresees threat to French economy

Minister warns of danger of No vote

By Robert Mauthner in Paris

MR Michel Sapin, the French finance and economics minister, yesterday threw the weight of his powerful government department behind the campaign for a Yes vote in the referendum on the Maastricht Treaty to be held on September 20 and predicted widespread adverse consequences in the event of a negative outcome.

"A vote in favour of the treaty by the French people, and not only by its parliament, would reinforce France's position not only within Europe but in the world," the minister said at his weekly press conference, reinforcing his point with detailed statistical information showing how France had benefited from membership of the European Community.

On the other hand, a No vote would weaken France's international position and have very bad economic consequences.

One of the results, according to Mr Robert Lion, managing director of France's principal state savings and investment institution, the Caisse des Depôts et Consignations, would be a general rise of 1 point in French interest rates and a fall of economic growth to below 2 per cent in 1992, compared with 2.6 per cent in the case of a Yes vote.

These warnings from two of the leading members of the country's financial establishment coincided with the publication of new opinion polls showing a continuing decline in support for the Maastricht Treaty, though those intending to vote Yes in the referendum remain in the majority.

Although they predict a narrow victory for the Yes camp, the polls do not agree on the size of the majority. The IPSOS institute announced yesterday that 53 per cent of the voters polled intended to endorse the Maastricht Treaty, against 47 per cent who would vote against it. But the ISL poll found that only 51 per cent of the electorate at present intended to vote Yes, compared with 49 per cent opposing the treaty.

The large number of polls conducted over the past three weeks, publication of which will be banned from midnight on Saturday until the referendum is held a week later, show that a large number of voters remain volatile and could change their minds at the last minute.

Poll of Maastricht polls

Percentage votes cast

Source: Compilation of newspaper polls

Lisbon fears 'crisis' for Europe

REJECTION of the Maastricht Treaty on European union by the French electorate would cause foreign exchange and financial instability and throw the Community into crisis, Mr Antonio Borges, deputy governor of the Portuguese central bank, warned yesterday, Patrick Blum writes from Lisbon.

The Portuguese government, whose economic strategy is predicated on deepening European integration, is concerned at the possibility of a negative vote in the French referendum.

Mr Borges told the Financial Times a No result would be "disastrous not just for Portugal, but especially for Portugal" – "Not simply because of the money [Portugal receives from the Community], though that is important, but because [Portugal's EC membership] has opened trade opportunities, encouraged foreign investment which otherwise would not have come here, and has motivated [the authorities] to implement difficult domestic decisions which would not have been made without the excuse of the Community."

About three-quarters of Portugal's trade is with the Community, which is also the main source of direct foreign investment. Trade would suffer and investment decisions would be put off if there was financial instability, he said.

Maastricht bewilders the Vosges

David Buchan visits the home town of leading No campaigner Philippe Séguin

GUFFAWS break out in the Bar de La Poste, as the news is read out from the local paper that the city hall has acquired a new table. "I didn't know the mayor was so hard pressed for furniture," mocks one of the bar-proppers.

The mayor in question is Mr Philippe Séguin, better known to millions of French since last week as the man who took on President François Mitterrand in single televised combat over the treaty of Maastricht. The table in question is the small round one over which the two men debated in the grand amphitheatre of the Sorbonne and which Mr Séguin has now brought to Epinal as a souvenir of his historic encounter.

In fact, most of the denizens of the Bar de La Poste say they will vote Mr Séguin's way – No – in the September 20 referendum. Not because they necessarily agree with the way the neo-Gaullist RPR leader articulated his objections to the pact on European union but, mainly, because they can't make head or tail of it.

"I read it three times, and still don't really understand what it's on about," says Mr Laurent Grosdemange, son of the bar's proprietor. He says he would like to vote Yes to portions of the treaty and No to others, and so in 10 days' time he may end up posting a blank ballot.

Séguin: debate not a moment of historic clarity Picture: Ashley Ashwood

One of his customers, a young trainee mechanic, says he may also adopt the same tactic. Why vote at all, then? "At city hall, they keep a record of whether you have voted, and if you want something from them later on, it's better to have voted something – even blank – than nothing at all," he says.

This attitude helps explain why the level of abstentions/don't knows/won't says is still so high, nearly a third in most opinion surveys, frustrating predictions of the outcome.

Clearly, then, the Mitterrand-Séguin debate was not one of those moments of heroic clarity in French history, such as used to be recorded in the 18th-19th century prints known aptly as "les images d'Epinal", produced in the city.

But, locally, if Mr Séguin has not charmed his anti-Maastricht supporters by his stand, neither has he appalled the pro-Maastricht camp in his Vosges constituency.

"I think he has taken the position for purely internal political reasons," says Mr Gilles Bragard, a textile company head and president of the Vosges employers' federation.

Mr Bragard denies that any Vosges opposition to the treaty reflects local economic difficulty and timidity in the region about opening up to international competition.

"We are beautifully placed in the Vosges to take advantage of Europe. I myself am within two hours' drive of my German, Swiss and Belgian subsidiaries," he says.

He concedes that the Vosges textile sector has lost jobs, shrinking from 20,000 to 14,000 in the past decade. If he has any reproach of EC textiles policy, it is that Brussels has not helped employers like him foot the bill – large in France – of shedding labour and so improving competitiveness.

But the Vosges shows little of the fear that "the Germans are coming" which seems to fuel the anti-Maastricht vote elsewhere in France. This is, in a way, ironic. The fact that the region has a textile sector at all is historically due to German aggression, which after 1870 pushed many industrialists out of Alsace and into the Vosges, bringing their money and technology with them.

Indeed there is some relief now that, as Mr Jacques Minler, who presides over the Vosges' economic development committee, puts it, "the Germans are coming back".

Immediately the Berlin wall fell in 1989, German investors stopped prospecting in the Vosges. Now, he says, they are back, knowing they can find in the Vosges the sort of skilled and dedicated workforce they have realised will take a generation to produce in eastern Germany.

Europolice eager to unite against crime

By David Buchan

MAASTRICHT looks like getting the police vote. The treaty contains a precise plan to set up a Europol, creating a single market not only for criminals but also for their pursuers.

Certainly, President François Mitterrand pitched for the law-and-order vote on television last week, warning that "No to Maastricht would be a Yes to the Mafia". Since then, the Lyons-based European Council of Police Unions (ECPU), which has among its multinational members two thirds of French police inspectors, has strongly backed Maastricht as "laying the ground for police co-operation, aimed at thwarting the collaboration of criminals, which has no need to be endorsed by any referendum".

In fact, such police co-operation between France and its EC partners is already germinating beside a cornfield in the Neuhof suburb of Strasbourg. In a building ringed by a double fence and barbed wire, some 15 police officers from seven EC countries last week started designing the skeleton of a Europol. Their report will go first to EC interior and justice ministers and then to the EC summit in December, with the aim of having Europol start business next January.

"We will not be an operational unit, a kind of Euro-FBI," stresses one of the Frenchmen in the Europol planning team. "As the Maastricht treaty says, Europol will, in its first phase, confine itself to exchanging information on drug traffickers."

But he said he would not be surprised if this remit were quickly extended to attacking the Mafia, whose activities will be the subject of a special EC ministerial meeting on September 18.

Will Europol die if Maastricht does? Few in the Neuhof planning cell think so, because the need for the men in blue to join hands against international criminals is so evident. "Criminals have long exploited and hidden behind our frontiers. It is time for us policemen and magistrates to set aside these borders a bit and see what's going on on the other side," says the Frenchman.

A great deal of informal co-operation has grown up already among Europe's police forces, through the 1990 Schengen convention. Europol's provisional headquarters is based in Neuhof because the Schengen Information Centre (SIS) now sits there.

Opened officially last week, the SIS is an enormous Bull-Siemens computer system, ready to receive police data from the eight Schengen signatories.

The SIS data bank will remain empty until all eight signatories – France, Germany, the Netherlands, Italy, Belgium, Luxembourg, Spain and Portugal – have ratified the convention. More than half have yet to do so. However, there are hopes this process will be complete by next year.

The UK remains averse to signing up to Schengen, as a British police member of the Europol team notes, partly because of what it will mean on the Ulster border with Ireland.

Mr Roger Bouiller, secretary general of the ECPU in Lyons, hopes that eventually Maastricht will lead not only to more exchange of information among the Twelve's police forces, but to a harmonisation of the legal rules under which they have to work in pursuing criminals across each other's borders.

British Gas wins Indian venture

By Neil Buckley

BRITISH GAS has beaten competition from Europe and Asia to win exclusive rights from the Gas Authority of India to negotiate on establishing a $70m (£35.5m) joint venture to supply natural gas to Bombay.

The project will use gas from the Bombay High and other offshore fields, and involves building a gas network to 600,000 businesses and households. British Gas will have a 35 per cent stake.

The deal is a boost to India's policy of encouraging joint ventures with foreign companies. For British Gas, which is being forced to cut its market share to increase competition in the UK market, the deal will help fulfil its target of improving income from its Global Gas supply business to account for 20 per cent of group earnings by the end of the decade.

China threatens to stop buying US wheat

China yesterday threatened to stop importing US wheat if President Bush did not reverse his decision to sell fighter aircraft to Taiwan, writes Yvonne Preston in Beijing.

An official quoted by the Xinhua news agency said China had kept up imports of US wheat in the interest of maintaining and developing Sino-US relations and trade, despite several good harvests.

Hewlett-Packard in deal with Samsung

Hewlett-Packard has expanded its alliance with Samsung Electronics of Korea with a $50m computer workstation deal, writes Louise Kehoe in San Francisco.

Samsung will resell Hewlett-Packard workstations in South Korea under its own and Hewlett's name, as well as using them internally.

THE FARNBOROUGH AIR SHOW

Airbus wins $1.1bn order

By Paul Betts, Aerospace Correspondent

AIRBUS Industrie has won an order for up to 10 of its new A340 long range wide body airliners worth about $1.1bn from Philippine Airlines.

The contract announced yesterday at the Farnborough air show includes six firm orders and options for another four.

With large orders for new aircraft scarce because of a slump in the civil aviation market, the Philippine deal is significant for the European aircraft manufacturing consortium of British Aerospace, Aérospatiale of France, Deutsche Aerospace of Germany and Casa of Spain.

The contract brings total firm orders for the A340-A330 family to 264 jets from 30 customers.

With its four-engined A340 and the twin-engined A330, Airbus is challenging Boeing at the top end of the airliner market traditionally dominated by the US company.

Boeing also announced a firm order at Farnborough yesterday for four of its 757 twin-engined narrow body airliners worth about $240m from Shorouk Airlines, a joint venture charter carrier formed by Egypt Air and Kuwait Airways.

The firm orders include one passenger and three cargo versions of the 757. The airline has also taken options on another four 757s including two passenger and two cargo aircraft.

Shorouk announced earlier this week a firm order for two Airbus A320 narrow body twin engined airliners and options for a further two aircraft.

No substance to Mirage denial

By Robert Mauthner in Paris

PERSISTENT reports that the French government has authorised "in principle" the sale of 60 Mirage 2000-5 fighter jets to Taiwan yesterday elicited only a half-hearted denial by the French Ministry of Industry and Trade.

Commenting on a report by the French news agency AFP, quoting "concordant French sources", that the green light for the $2.6bn deal had been given to the French manufacturers, Dassault Aviation, Mr Dominique Strauss-Kahn, the French Minister of Industry and Trade, said that the export of Mirages to Taiwan had not been "officially authorised."

"As long as a detailed dossier of the sale has not been formally submitted to the government by the industrialists concerned, we cannot make a decision," the minister said. But he was quick to add that the government would not consider such a sale as "an aggression against China," which has registered its strong opposition to any sales of fighter-bombers of the Mirage type to Taiwan.

For good measure, Mr Strauss-Kahn stressed that the French government had given its blessing to Dassault for its efforts to sell Mirage fighter-bombers to Taiwan.

The sale of French warplanes to Taiwan has long been a subject of dispute between government departments favouring a deal, the ministries of defence, finance and industry, and the foreign ministry, which opposes it because of the effect on Franco-Chinese relations.

However, the economic arguments in favour of such a deal are powerful. Dassault, which has not sold a single military aircraft abroad since 1988, desperately needs export orders to boost its falling profits. Moreover, an aircraft deal with Taiwan could unlock further export orders for France.

The US proposal to sell F-16s to Taiwan could ease the Chinese pressure on France to abandon the deal. Moreover, French officials believe Taiwan may be ready to share its military aircraft market between the US and France.

Kiwi fruit cartel probe in Japan

JAPAN'S Fair Trade Commission is investigating a New Zealand based company and nine local trading houses charged with forming an illegal cartel in kiwi fruit, an FTC official said. Reuter reports from Tokyo.

New Zealand Kiwifruit Marketing Board (Japan), sole importer of the fruit, said it was questioned by the FTC over the allegation on September 3, but the company denied it was involved in price fixing.

The official said the FTC had started questioning the trading companies, including Mitsubishi and C. Itoh.

The New Zealand Kiwifruit company said: "We are willing to co-operate with the FTC on the investigation and watch the developments."

Agriculture ministry data show that domestic production of kiwi fruit in 1991-92, ending March, was 45,700 tonnes, while imports were 42,700 tonnes. About 99 per cent of imports come from New Zealand. The ministry said its data showed Japan was the world's biggest kiwi fruit importer.

Vietnam may liberalise foreign investment law

By Anthony McDermott

VIETNAM is considering liberalising its foreign investment law, according to Professor Nguyen Mai, the vice-president of the State Council for Co-operation and Investment.

He told a conference in London yesterday the changes included:

- Allowing foreign investors to lease land for up to 50 years instead of 20.
- To permit the sale of shares in some state enterprises to foreigners.
- To give preference to joint venture investments, spread around the country.

Mr Mai said he had brought to London a list of 548 projects for investors to consider. There were 416 joint-venture projects in operation at the end of August, involving capital investment of $3.35bn, for which $1.69bn has been raised.

The main foreign partners, Mr Mai said, came from Taiwan, Hong Kong, France, Netherlands, Japan, Britain, Australia, the Commonwealth of Independent States, South Korea and Canada.

Of the 416 projects, 233 (with capital investment of $1.11bn) were in industry, 18 ($900m) in oil and gas, 41 ($660m) in hotels and tourism, and 55 ($166m) in services.

A report* issued at the conference said Vietnam could become one of South-East Asia's most important tourism destinations if hotel building plans were fulfilled. It said 40 hotels had opened in Ho Chi Minh City and 40 more were to be built.

The total number of visitors to Vietnam in 1991 was about 850,000, including 300,000 from western Europe, South-East Asia, Japan, Australia and North America. The figure for tourism was 36 per cent higher than in 1990 – with indications that in 1992 the figures would grow by at least that amount again.

Vietnam: The Next Asian Tiger? British Consultants Bureau, 1 Westminster Palace Gardens, 1-7 Artillery Row, London SW1P 1RJ. £265.

Terry Kirk

Vahit Erdem: Moscow mission

Russian helicopters may fly to Turkey's aid

Ankara is looking to Moscow for arms to fight Kurdish separatists. writes John Murray Brown

IN THE rugged mountains on the borders of Turkey, Iran and Iraq more than 100 Turkish soldiers and Kurdish guerrillas died last week in the worst clash of the eight-year separatist conflict.

With the war escalating rapidly – more than 1,000 have died so far this year – and some western countries banning arms sales to Turkey, Ankara has turned to Russia in search of weapons supplies.

The two countries are looking at a barter deal whereby Turkey would supply various goods and services in return for Russian helicopters and armoured personnel carriers.

Western defence officials say the initial decision to consider Russian equipment was for political rather than military reasons – the idea was first mooted during a meeting between President Boris Yeltsin and Prime Minister Suleyman Demirel at the Black Sea Economic Conference in Istanbul in June.

But Turkey has increasingly identified a more immediate need to strengthen its rapid reaction capability in the Kurdish conflict.

Under a $2bn proposal, the armed forces have invited bids from western defence suppliers for 200 large combat helicopters, although budget pressures have delayed any early decision. The government procurement agency SSM also has a collaboration with FMC of the US to make armoured vehicles. This project has been plagued by disputes with the army over sub-contracts for the engine and night-sight equipment.

The latest moves suggest Turkey is reconsidering some of these long term joint manufacturing programmes, in the wake of escalation in the fighting. Earlier this year, Ankara asked companies in the helicopter tender to resubmit bids to include an off-the-shelf purchase of up to 50 helicopters, the remainder being part of a long term co-production deal. Meanwhile the Turkish police negotiated the purchase of armoured personnel carriers from Cadillac Gage of the US, using credits from the US export import Bank.

Last month Mr Vahit Erdem, head of SSM, sent a team to Moscow. Mr Ismet Sezgin, the Turkish interior minister, confirmed a commission had been set up to evaluate the MI-17 troop carrying helicopter, and the BTR-60 eight-wheeled armoured personnel carrier.

However, the Turkish army, as distinct from the police, has said it is not interested in the deal, and is said to have advised the police against acquiring the smaller MI-24 Hind-D combat helicopter which is also on offer.

The exact cost of the deal is a matter of speculation, although Turkish reports suggest the deal could be as much as $300m. Settlement is likely to be part of the gas protocol under which Turkey takes Russian natural gas in exchange for goods and contracting services. Turkey is initially looking to acquire 20 MI-17s at a cost of $50m.

Turkey has reportedly been asked for assurances that the arms would not be sold to third parties. Both Turkey and Russia are concerned at the growing conflict in the Caucasus, where Turkey is anxious not to be accused of siding with the Moslem Azerbaijanis against the Christian Armenians who have historically enjoyed Russia's support.

By buying Russian Mr Demirel may also be seeking to deflect criticism of his fragile coalition government, under attack at home for failing to curb the PKK guerrillas, and internationally for the heavy-handed methods of the security forces.

Before the war with Iraq, Switzerland banned arms sales to Turkey because of its mistreatment of Kurds, affecting purchase of the Oerlikon gun for the armoured personnel carrier. In March, Germany suspended arms shipments after television reports claimed former East German armoured personnel carriers supplied by Bonn were being used to put down Kurdish demonstrations.

Significantly, it was the BTR-60 armoured personnel carrier which was at the centre of that dispute. The German agreement stipulated the equipment could only be used in Nato's defence. If Turkey is now to acquire the Russian BTR-60, it will be hard for the Germans to protest again, as no such restriction is likely to be written into the contract with Moscow. Turkey could then use its mixed stock of BTR-60s with impunity to put down its Kurdish rebellion.

IMF cash resources 'facing strain'

By George Graham in Washington

THE International Monetary Fund's cash resources could fall to their lowest level in years if its member countries do not quickly put into effect the $62bn (£31.4bn) capital increase they agreed two years ago, IMF officials have warned.

Faced with heavy demands for money from new members in eastern Europe and the former Soviet Union, the IMF's available cash resources fell last year to Special Drawing Rights 20.9bn, the organisation's reserve currency unit.

The officials said their liquidity position could worsen considerably by the end of this year unless they receive the funds from the quota increase. "We do see the liquidity situation as potentially becoming quite strained," one official said.

The biggest problem for implementing the quota increase, which would raise the IMF's capital base by 50 per cent to SDR135.2bn (£100bn), has been the reluctance of the US, the IMF's biggest member, to pass the necessary legislation for its share.

The Bush administration has now rolled the IMF quota increase into a package of aid measures for the former Soviet Union; this bill has been delayed by wrangling over aid for US inner cities, but congressional aides say they expect it to pass, probably at the end of this month.

But even US acceptance will not be enough to implement the quota increase. Under the IMF's rarely simple operating rules, the quota increase cannot come into effect until a separate amendment to the organisation's articles, providing for the suspension of voting rights for countries which do not fulfil their obligations to the IMF, has been ratified by three-fifths of the member countries possessing 85 per cent of the voting rights.

Even with the US's 18.9 per cent of voting rights, this level will not be reached until some other substantial member countries such as Italy have ratified the amendment.

IMF officials said the Washington-based organisation's usable resources fell last year as a proportion of liquid liabilities to 82 per cent. This liquidity ratio is projected to fall to about 50 per cent by the end of the year without the extra resources that would be brought in by the quota increase.

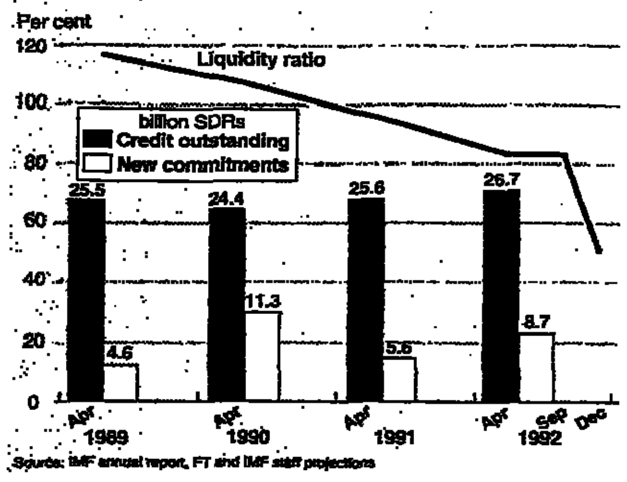
Members can usually pay three-quarters of their quota in their domestic currency, which for most countries is not readily usable elsewhere, so the quota increase is expected to provide nearly SDR30bn of immediately usable resources, roughly doubling the IMF's liquidity.

Even without the addition of the former communist countries, calls on the IMF's resources have increased substantially, the IMF's annual report, published yesterday, says. New commitments in the financial year ending April 30 totalled SDR8.7bn, against SDR5.6bn in the previous financial year. Arrangements with Argentina, India and Brazil accounted for most of this.

Additional members from the former communist bloc and elsewhere have brought the IMF's membership list to 169 countries. With the completion of pending applications from republics of the former Soviet Union and Yugoslavia, as well as from Micronesia and San Marino, the IMF will have 178 members.

"For the first time, the IMF can be said truly to have moved towards the goal of universal membership," an official said.

The resources crunch



Source: IMF annual report, FT and IMF staff projections

Fed criticised over fine-tuning of US economy

INTERNATIONAL Monetary Fund (IMF) board members have criticised the US Federal Reserve for "fine-tuning" the US economy by repeated cuts in interest rates, George Graham reports from Washington.

Some members of the IMF's executive board said the Fed was justified in lowering its federal funds rate, "given the hesitancy of the economic recovery and the slow growth of the broadly-defined money supply", but others saw risks in the cuts because inflation still seemed to be running at a rate no lower than 4 per cent even at the trough of the economic cycle.

Most directors agreed that the Fed should be ready to raise interest rates again as the recovery took hold.

The IMF's principal worry about US economic policy, expressed during consultations designed to draw attention to the international implications of policies and developments in the economies of member countries, remains the federal budget deficit.

Board members "saw a clear need to strengthen the credibility of fiscal policy," calling for spending cuts but also additional revenue measures. Many directors suggested eliminating a number of tax breaks that distort private savings, but also proposed higher excise taxes on energy use, especially on petrol.

In their scrutiny of economic policy, published in the IMF annual report yesterday, directors also issued their recommendations for other major industrial countries:

- Japan should continue efforts to reform its trade practices. They said there was scope for greater fiscal stimulus – a desire subsequently met by Japan's recent economic package – but urged caution in guiding interest rates below their already low levels.
- Germany needed to discourage unsustainable wage increases, which had contributed to the country's worsening inflation performance and justified progressive increases in interest rates.

A clearer medium-term budget strategy was needed, however, with the elimination of unproductive subsidies to coal mining and agriculture.

- France was not showing "sufficient determination" in reforming its tax structure, its labour market practices and its protectionist tendencies.
- The UK must keep as its main economic goal a rapid convergence of its inflation to that of its low-inflation partners in the European Exchange Rate Mechanism.
- The European Community did not fulfil the criteria for an optimal currency union. Some directors saw little prospect for developing a true European budget policy because of political constraints.

US President George Bush's campaigning thumbs-up at Middletown, New Jersey, did not reflect the bad news yesterday from both the nation's economy and some of the country's leading economists. Jobless claims for the week ending August 29 showed a persistent weakness in the labour market, after adjustment for several distortions in the data, reports Reuter from New York and Washington.

For the week, 394,000 initial state claims were filed, an increase of 8,000 over the previous week. But that figure did not take into account 11,587 claimants who filed under a new federal emergency programme, so claims were more than 400,000, economists said.

Meanwhile, Blue Chip Economic Indicators, a group of influential economists often cited by the White House, said the economy is deteriorating and that Mr Bush will not win re-election in November.

Clifford to face NY BCCI trial first

By Alan Friedman in New York

A FEDERAL judge in Washington yesterday ruled that Mr Clark Clifford, former US defence secretary facing criminal charges in connection with the collapsed Bank of Credit and Commerce International (BCCI), should first stand trial in New York before facing a federal indictment in Washington.

Judge Joyce Hens Green granted a prosecution request that the Washington trial of Mr Clifford be postponed until at least next March, so that he can first be tried on the more serious New York charges of accepting bribes, conspiracy to commit fraud and misleading bank regulators.

The New York trial is expected to begin in early January. Justice Department officials have said the Washington case might then be dropped.

The Washington charges relate mainly to Mr Clifford's statements to bank regulators regarding First American Bankshares, the Washington bank he chaired until last year and which was illegally controlled by BCCI.

The judge also decided to appoint a cardiologist to examine the 85-year-old Mr Clifford, as he and the Justice Department had requested. US prosecutors have said that, depending on the doctor's assessment, they may decide to excuse Mr Clifford a trial.

Mr Robert Altman – Mr Clifford's 45-year-old protegé and law partner, and the former president of First American – will face trial whether or not Mr Clifford is excused.

Yesterday, before the Washington hearing had begun, Mr Altman's actress wife Lynda Carter – known as the star of Wonder Woman, the television show – made a point of appearing in the front row of the courtroom to give Mr Altman a lavish hug and kiss.

Both Mr Clifford and Mr Altman have denied any wrongdoing.

Car dealer guilty in GM fraud

By Martin Dickson in New York

MR JOHN McNamara, a car dealer on New York's Long Island, has pleaded guilty to charges that he defrauded General Motors in a $6bn loan racket, and that he used some of the money to bribe local officials so as to win approval for real estate schemes.

The fraud has embarrassed GM's finance arm, General Motors Acceptance Corporation, which has a reputation for strict credit controls. It has led GM to shake up the subsidiary's management, and the group was forced to write off $171m in loans.

Mr McNamara, aged 53, borrowed billions of dollars from General Motors over more than a decade to finance the purchase of cars which did not exist. He used new borrowings to pay off old debts, while siphoning off part of the money for his own $400m business empire. He faces up to 20 years jail and $800m in fines.

Bending young twigs in a different way

Damian Fraser reports on a political rumpus in Mexico over how national history is being taught

SOME 20m Mexican children returned to school last week to discover that their smart new history textbooks have become the centre of a political row. The books have been roundly condemned for having betrayed Mexico's revolutionary past and crudely promoted President Carlos Salinas' technocratic view of the world.

The official rewriting of Mexican history has scandalised the leftist intelligentsia, for whom a nationalist, anti-US interpretation of the national past is central to their opposition to Mr Salinas' economic reforms. They charge (with characteristic exaggeration) that the new textbooks downplay the Mexican revolution of the early years of this century, skip over a difficult and antagonistic relationship with the US, and worst of all, portray Mr Salinas as a national hero.

The books are mandatory reading for children aged 10-12, and are treated with great sensitivity in a country where debate about history shapes, and reflects, political opinions. Ask a Mexican for his views on Hernán Cortés, the Spanish *conquistador* of the 16th century, Porfirio Díaz, the dictator of 1877-1911, and Emiliano Zapata, the revolutionary hero, and his attitude to modern politics becomes clear.

The row, dominating Mexican newspapers, has been exacerbated by allegations of favouritism and sloppy research. The president's pet intellectual, Mr Hector Aguilar Camín, from the editorial group Nexos, was put in charge of the historians who wrote the text. He is claimed to be much too closely involved with the government to be critical of it. Nexos runs a television station, a monthly magazine, a publishing house, and is said to be bidding for the government newspaper, El Nacional.

The texts were written in just two months, without consulting teachers, and contain widely-publicised historical errors.

The old textbooks faithfully reflected the nationalist, inward-looking Mexico that Mr Salinas is trying to leave behind. These indignantly described how the US stole half the country's territory (Texas, California and New Mexico) in the last century; they vilified Porfirio Díaz for having sold out to foreign capital and worsened inequality of incomes; they praised such revolutionary figures as Zapata, Pancho Villa and Flores Magón; they described the period since the 1940s as one of uninterrupted progress.

The new textbooks try not to apportion blame and, as such, are meant to be less ideological. They point out that most Texans in the 1830s wanted to leave Mexico, and maintain that the northern parts of what was then Mexico were unconnected to the rest of the country. By implication, the loss of half the territory to the US was not such a blow.

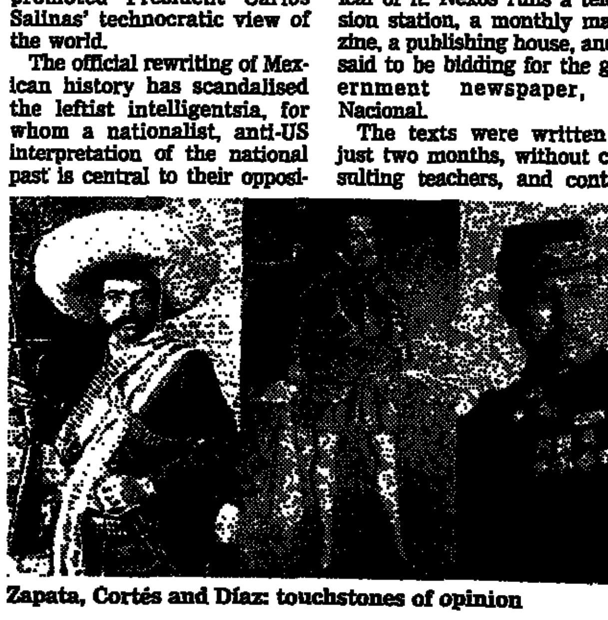
Porfirio Díaz is congratulated for having attracted foreign investment that promoted economic development, for having pacified the country and built railways – praise only partly offset by criticism. The revolutionary heroes are described briefly, even dismissively. The antagonism between the US and Mexico over the latter's nationalisation of its oil in 1938 is skipped over lightly.

The treatment of the post-1940s has created the most controversy. For the first time, the official textbook describes the massacre at Tlatelolco, where the army killed 200-300 protesters in 1968, but the text merely says the army opened fire – without saying whether it was acting on government instructions.

No mention is made of the alleged fraud widely held to have characterised the 1988 presidential election that brought Mr Salinas to power. Mr Salinas' government "has showed energy and followed a clear course", and is praised for having brought down inflation, increased growth and spent money on alleviating poverty.

Many acknowledge the new books are an improvement on the old, but they certainly reflect the Salinas view of the world. Political figures who promoted economic growth are considered more favourably than those who fought for social change.

But, if Mr Salinas hoped a bit of historical revision would legitimise his government, he may have miscalculated. The government has been so stung by the criticisms that it is already back-tracking, saying the books will be revised after consultations with teachers and parents. The presidential chances of Mr Ernesto Zedillo, education secretary and former budget minister, are thought to have suffered.



Zapata, Cortés and Díaz: touchstones of opinion

Iran opens rift with Arabs over islands

By Roger Matthews, Middle East Editor

AN OPEN row has broken out between Iran and the six Arab members of the Gulf Co-operation Council over the control of three islands near the mouth of the Gulf.

Iran repeated yesterday its claim of sovereignty over Abu Musa, together with the Great Tumb and Lesser Tumb Islands. The statement from Tehran came in response to an earlier communiqué from the GCC states (Saudi Arabia, Kuwait, United Arab Emirates, Oman, Bahrain and Qatar) deploring what they described as the "virtual annexation" by Iran of the islands.

Since 1971 Abu Musa has been jointly administered by Iran and Sharjah, part of the UAE. However, earlier this year Iran began pressing expatriates employed by the UAE to leave the islands and increasing the number of its own nationals. Last month Iran turned back a ship carrying passengers from the UAE.

Iran added yesterday that "residents of Abu Musa holding Sharjah citizenship can continue their life there with their Iranian brothers and sisters."

Diplomats were at loss to explain Iran's provocative action at a time when it was generally improving relations with the other Gulf countries, especially Saudi Arabia, and promoting a more pragmatic image around the world.

The renewed claim to Abu Musa may in part reflect Iran's eagerness to exploit the relative weakness of the Arabs in the Gulf in the wake of Iraq's defeat. It could also be designed to test the US which now dominates the region militarily.

Iran has deplored the increased US presence in the region, but will probably be looking to take political advantage of the allied air exclusion zone over southern Iraq by aiding the Shia population. Iraq's President Saddam Hussein has moved additional forces to the border to deter infiltration.

Japanese angered over Yeltsin cancellation

By Steven Butler in Tokyo

THE Japanese government was left in shock yesterday as political leaders puzzled over the diplomatic significance of Mr Boris Yeltsin's decision to abruptly cancel his visit to Japan, scheduled for this Sunday.

Mr Kato Koichi, chief cabinet secretary, insisted that relations with Russia would not change, despite disappointment over the cancellation.

Mr Kato also said Japan would not soften its demand that Russia recognise Japanese sovereignty over the four Kurile islands which Soviet forces seized at the end of the second world war. Mr Yeltsin is widely believed to have cancelled the visit because of Japan's insistence the issue be solved before it can extend significant economic aid.

Mr Yeltsin's behaviour in the affair has confirmed long-standing Japanese distrust of Russia, which has deep historical roots. The manner in which news of Mr Yeltsin's decision came to light was most embarrassing, with senior ministers rushing to the prime minister's official residence to receive a phone call from Mr Yeltsin, only to have to wait over an hour before the call came through.

The fact that Mr Yeltsin phoned President Mr Roh Tae-woo of South Korea to tell him of the cancelled trip before informing Japan was also seen as an unsubtle diplomatic snub.

The Asahi Shimbun, the daily newspaper, quoted an unnamed Foreign Ministry official as saying: "This proves Russia's diplomacy is inept. We should not take what the Russian government says seriously from now on."

On the other hand, there was also plenty of criticism of what appeared to be Japan's diplomatic ineptitude over the territorial issue, in which it pushed Mr Yeltsin into a corner and obtained nothing as a result.

Mr Takahiro Yokomichi, the governor of Hokkaido, Japan's northernmost main island, told the Mianichi Evening News: "The Japanese government aimed at 100 per cent but actually scored zero points even though the Russian government made a special effort to improve the relationship."

Despite government assurances that nothing has changed, there is widespread fear that relations between Japan and Russia, which were only just begining to thaw, have been put back into the freezer. There is also fear that an historic opportunity to cement Russo-Japanese relations and shore up Mr Yeltsin's presidency may have been lost.

Rabin ready for Golan concessions to achieve peace

By Hugh Carnegy in Jerusalem

MR Yitzhak Rabin, the Israeli prime minister, yesterday said he was ready for territorial compromise in exchange for peace with Syria, the clearest indication to date that he would make significant concessions on the Golan Heights, captured from Syria in 1967 and later virtually annexed by Israel.

Mr Rabin was careful not to go beyond a general commitment, which fell far short of the complete withdrawal from the Golan demanded by Syria. He also stressed that territorial concessions would only be discussed once Syria committed itself to the principle of a full peace treaty with Israel.

"We have said that in exchange for a peace treaty which promises an end to war and opens the borders between Syria and Israel, diplomatic relations and normalisation, Israel is ready to implement [UN Resolutions] 242 and 338 ... This implies, of course, some sort of territorial compromise," Mr Rabin said.

Since the Washington talks broke for a 10-day recess earlier this month, Mr Rabin has spoken almost daily of what he calls "important progress" made in the last round with Damascus. Mr Shimon Peres, foreign minister, called it "nearly sensational".

As if to prepare public opinion for Israeli concessions, Mr Rabin has warned that "peace for peace" would be impossible to achieve. He says he is willing to consider interim steps if a full peace treaty is not immediately available.

Israeli hopes of a breakthrough have been prompted by a document presented by Syria in Washington, which Israeli officials said expressed for the first time in writing Syria's willingness to make peace, and acknowledged Israel's security concerns.

One possibility being canvassed in Jerusalem is that Syria might accept a period of continued Israeli control in most of the Golan in exchange for a formal acknowledgment of Syria's sovereignty over the strategic range of hills. This would allow Jewish settlers on the heights – increasingly concerned for their future – to stay at least for some time.

However, Damascus has given little indication so far that it will settle for anything less than a complete return of the heights. Mr Farouk al-Shara, Syrian foreign minister, reiterated yesterday that his country would make no territorial compromise with Israel on the occupied Golan Heights.

He said the implication of some sort of territorial compromise was "completely unacceptable and contradicts the substance and the spirit of the peace talks ... that aim for a full withdrawal."

Chris Patten, Hong Kong governor, waves goodbye to Vietnamese refugees after visiting their quarters at Whitehead detention centre

Pretoria toughens line against ANC

By Patti Waldmeir in Johannesburg

THE South African government yesterday stepped up its propaganda campaign against the African National Congress in the wake of the Ciskei massacre, appealing to the United Nations to put pressure on the ANC to stop what it called "provocative actions which put at risk the lives of innocent South Africans".

The appeal came in a 21-page memorandum from Mr Pik Botha, South Africa's foreign minister, to Mr Boutros Boutros Ghali, UN secretary general, and the Security Council. Pretoria asked for a UN representative to visit the country urgently to mediate between the government and ANC.

Relations between the two sides have fallen to new lows after the Ciskei shooting. Mr Botha warned the government was ready to "take steps of a coercive nature" to handle violence.

UN monitors, deployed as a result of the July visit of UN envoy Cyrus Vance, are to arrive within days.

As Mr Botha released the memorandum to the press, the ANC's top policy-making body, the National Working Committee, met for a second day to determine its response to the Ciskei shooting, for which it holds Pretoria responsible. The committee is understood to be split between militants who believe all negotiations with the government should be abandoned, and moderates who argue that negotiation is South Africa's only chance.

Winnie Mandela, estranged wife of African National Congress leader Nelson Mandela, has resigned her top posts in the movement because of "a vicious and malicious" campaign against her, Reuter reports from Johannesburg. In a statement issued late on Wednesday night, Mrs Mandela said she had resigned from the ANC's policy-making national executive committee and its women's league.

Australians giving up search for work

MORE unemployed Australians are giving up the search for work. Figures released by the government yesterday show that the proportion of the work force actively seeking work fell 0.3 percentage points to 63.2 per cent in August, Emilia Tagaza writes from Canberra.

This fall pulled the unemployment rate slightly down to 10.9 per cent last month from 11 per cent in July.

This was the 12th consecutive month Australia's unemployment rate had exceeded 10 per cent.

The figures show a trend towards part-time employment.

Nigeria's naira dips in value

The Nigerian naira has fallen in value against the dollar for the second consecutive week after months of stability following a 41 per cent devaluation last March, Reuter reports from Lagos. The dollar now sells for 19.47 naira at the Central Bank of Nigeria's foreign exchange market, compared with 18.90 last week and 18.53 two weeks ago. The rate had stayed around 18.5 naira since early April.

Tehran to buy nuclear plant

Iran's President Akbar Hashemi Rafsanjani said yesterday Tehran had agreed to acquire a small nuclear power station from China, but no plans existed for new military contracts between the two, Reuter reports from Beijing.

US warning to Khmer Rouge

Mr Lawrence Eagleburger, US acting secretary of state, said the international community may soon have to consider punitive sanctions if the Khmer Rouge continues to obstruct a peace settlement for Cambodia, Reuter reports.

NEWS: UK

Hurricane may cost Lloyd's £500m

By Richard Lapper

LOSSES from Hurricane Andrew are likely to cost the Lloyd's non-marine underwriters less than £500m, a senior underwriter said yesterday.

Mr George Lloyd-Roberts, chairman of the Lloyd's non-marine underwriters association, said overall insured losses on land from the hurricane, which late last month devastated parts of Louisiana and Florida, would probably amount to between $7bn and $8bn. Losses offshore, such as damage to oil rigs, will also affect Lloyd's.

Although reinsurers are likely to pay $6bn of the loss, Lloyd's underwriters are expecting to pay no more than 15 per cent of that amount, leaving them with maximum losses of $900m.

Mr Lloyd-Roberts said Lloyd's was less exposed to Hurricane Andrew than to Hurricane Hugo, which caused more than $5bn in insured losses in September 1989.

This was because US insurers had bought less reinsurance following rate increases. In addition the spiral reinsurance market, in which Lloyd's syndicates and companies reinsure each other's high level catastrophe exposures, had collapsed.

Lloyd's said yesterday it is hoping "loss review" investigations into syndicates which were overwhelmed by claims from Hurricane Hugo and other catastrophes between 1987 and 1990 could be ready in the next few weeks.

A loss review team investigating the losses of two of those syndicates – 216 and 833/834, which were managed by the Devonshire agency – issued an interim report last month. It said that Names – the individuals whose assets support Lloyd's underwriting – on syndicates 216 have already received cash calls amounting to £56.86m for 1989 and £14.14m for 1990, while those on syndicate 833/834 have been asked to pay £21.73m in 1989 and £11.04m in 1990.

Major refuses to contemplate devaluation

By Philip Stephens and Emma Tucker

MR JOHN Major last night staked his government's political authority on the value of sterling with an uncompromising refusal to contemplate devaluation in the European Exchange Rate Mechanism.

In a speech billed by Downing Street as unequivocal evidence of his determination to resist the speculation on currency markets, the prime minister said that a realignment of the pound's ERM parity would be "a betrayal of our future".

Senior aides said the comments were intended to signal that even if other European currencies were devalued against the D-mark in an ERM realignment, the government would seek to keep sterling's central rate at DM2.95.

But the speech coincided with a new survey from the Confederation of British Industry which suggested there was little chance of a recovery in consumer confidence before the end of the year.

As the pound continued to hover just above its DM2.7780 floor on the foreign exchange markets, the survey pointed to a reversal during the summer of a modest improvement in the annual growth rate of retail sales earlier in the year.

Sterling closed in London at DM2.7875.

The prime minister, speaking to the Scottish CBI in Glasgow, insisted that the ERM had delivered the low inflation and the relative exchange rate stability demanded by the business community. Maintaining sterling's parity was essential to ensure Britain preserved and improved on those gains.

Mr Major said: "There is going to be no devaluation, no realignment". Mr Major, who said the defeat of inflation remained a precondition of sustained economic success, dismissed the arguments of those blaming the ERM for the depth of the recession.

Ministers, meanwhile, were predicting that the publication today of inflation figures for August would further demonstrate that price rises were being brought under control.

But the CBI survey of distributive trades underlined the continuing gloom over consumer confidence.

More than two-thirds of retailers, who continue to suffer from consumers' fear of losing their jobs and high levels of household debt, said they did not expect the business situation to improve over the next three months. Wholesalers and car traders said they expected conditions to worsen.

Green core relishes a way of life

By Bronwen Maddox, Environment Correspondent

AT a turbulent point in the history of the Green Party its members are in resilient mood as they gather for the annual conference. As one of them noted: "We're not finished. Our policies are right. I am an eternal optimist."

Two weeks ago the party's chair, Ms Sara Parkin, announced she would not stand for re-election because the party had become "a hindrance to green politics." Another five of the eleven-strong executive are also standing down.

Membership, meanwhil,e has been falling, although green pressure groups have a combined following of several million, the Green Party now has only 8,000 members, the same as 1987. That is a long way from its June 1990 peak of 19,000, which followed its triumph of 15 per cent of the vote in the 1989 European elections.

Many members feel betrayed by Mrs Parkin's comments. "The goings-on at the national level are not just embarrassing, they are a very damaging insult" according to the Malvern Hills branch but others were more dismissive: "We never wanted a leader in the sense of a figurehead," said Mr Frank Nickels from Warwick, who found the disruption at the top irrelevant. "I am green, I want to be greener, and if I can grow my own tobacco next year that will be perfect".

Green acres: a quiet start to the Green Party Conference at Wolverhampton Civic Hall, central England, which began yesterday

Undeterred by its troubles, the conference plunged into a four day agenda on land distribution, the Kurds, elections in Guyana, and 25 motions on the party's internal organisation.

It remains a conference like no other. Sessions begin with a minute's silence for "attunement". Workshops end with an invitation to those who have stayed silent to share their thoughts. Babies' nappies are changed on the conference office floor, and there are no plastic cups.

Political correctness abounds. Mr Matthew Patterson, a member of the Standing Order Committee, pleaded for an amendment to be "put into words the man in the street can understand – please ignore the sexism".

And then there is David Icke, the former BBC sports presenter and former Green Party co-chair, who caused consternation by announcing that he was "an aspect of the God-head" and will address a fringe meeting of the Pagan Greens on Saturday morning.

"David will be talking economics this time," said Ms Jo Graham from Loughborough, one of those who invited him. "He doesn't talk on that level – of channelling energies – any more."

In her view, one shared by many, the recent fall in membership was inevitable. According to the party's head office "many people joined around 1989 thinking that we would save their local forest and then found out we are out to ban the bomb, leave NATO and legalise cannabis."

But there is no reason for the party to shrink further, he says, nor is it broke, pointing to its bank balance of around £50,000. Many feel the membership has simply shrunk back to the pre-1989 core for whom greenness is a way of life.

"One of the Green Party's functions is to keep other political parties sane. Of course we have a future," said one of its members last night.

Northern Ireland talks reach impasse over role for Dublin

Tim Coone and Our Belfast Correspondent consider the conflicting interests at the talks on the future of Ulster

The Democratic Unionist Party yesterday reaffirmed that it would take no further part in talks on the future of Northern Ireland until the Irish government's constitutional claim over Northern Ireland is on the negotiating table.

The walkout comes as the talks reach a crucial point. After months of preparatory meetings, the core issues – the Irish Republic's constitutional claim to Northern Ireland and whether the Unionists will accept some all-island dimension to an agreed solution – are about to be placed on the negotiating table.

The DUP's withdrawal has cast a shadow over the entire talks process. A plenary session went ahead yesterday without the party.

The Ulster Unionist Party made it clear yesterday they would not be joining the DUP in withdrawing from the process, but would continue in discussions "with the aim of forcing the Irish government to withdraw its legal claim to the territory of our part of the United Kingdom".

A meeting between the UK and Irish governments is due to take place in London today.

The apparent impasse in the talks appears to have much to do with the art of face-saving. Any agreement will require concessions from the four political parties and the two governments involved, but all know that a concession made too soon, or too readily, could bring a backlash from their political constituencies, not to mention the paramilitaries, and maybe the end of a political career or two.

The week after next, the talks are due to move from Stormont, the seat of government in Northern Ireland, to Dublin. It will be a symbolic moment, and one of great sensitivity for hard-line Unionists such as the Rev Ian Paisley, the DUP leader, who have traditionally, and consistently, cold-shouldered their southern neighbours.

Determination to maintain the confidential nature of the talks has caused problems with some rank and file Unionists who feel they are not being kept sufficiently appraised of developments.

So when the constitutional issue was placed fourth of a four-item agenda at this week's talks, the DUP apparently felt it was time to spell out more clearly its attitude to the Irish constitutional claim.

The fact that Mr Paisley and his deputy Mr Peter Robinson, left two delegates keeping their seats warm at the table, strengthens the view that the fuss may be little more than playing to the Loyalist gallery.

Once the item is reached on the agenda, the two leaders have hinted they will be back at the table, but probably only if that point can be reached next week, before the talks move to Dublin.

The Irish government insists that its territorial claim is up for negotiation, but also that "nothing is agreed until everything is agreed". To make unilateral concessions to the Unionists before their arrival in Dublin, would be very difficult politically.

Few doubt that the Fianna Fail-led coalition would be able to deliver a constitutional change as long the Unionists and the British government can make real concessions to protect the interests of the minority community in Northern Ireland.

US report on BCCI to criticise Bank role

By Alan Friedman in New York and Robert Peston in London

A FORTHCOMING 600-page US Senate report on the Bank of Credit and Commerce International (BCCI) affair is likely to be sharply critical of the role of the Bank of England and could cause embarrassment to the UK government.

The US report on the corrupt international bank is due to be published on September 23. It is therefore likely to pre-empt the publication of a separate UK report on whether BCCI was supervised properly by the Bank of England and the British government.

This UK report, by Lord Bingham, who has recently been appointed as Master of the Rolls, is not due to be published until mid-October, according to a high ranking public official. The Bingham report is also critical of the Bank of England.

The US report is being prepared by Senator John Kerry, the Massachusetts Democrat who since 1989 has spearheaded US Congressional investigations of BCCI.

Senator Kerry's report, which runs to 200,000 words, is likely to deal extensively with the relations between Western intelligence services and BCCI.

The Kerry report will also dwell on the behaviour of US and British bank regulators in the period leading up to July 5, 1991, when BCCI was shut down. Another section of the Kerry report will examine the role of Price Waterhouse and other former BCCI auditors.

Senator Kerry has been invited by Mr Keith Vaz MP to visit London and address a Commons committee on BCCI. An aide to the Senator, while declining to discuss the upcoming BCCI report, said Mr Kerry is considering the invitation.

The Senator, who first began investigating BCCI in the 1980s in connection with hearings on Mr Manuel Noriega, the former Panamanian dictator, has conducted 13 BCCI hearings in recent years.

Hurd backs new privacy law for press

By Philip Stephens, Political Editor

MR DOUGLAS Hurd has joined Mr John Major in adding his voice to those in the government ready to back a new privacy law to restrict press coverage of the personal lives of the Royal Family and other public figures.

The foreign secretary's support increases the prospect that ministers will support the principle of legislation when an independent commission on press freedom chaired by Sir David Calcutt QC reports on the issue early next year.

Government officials said Mr Kenneth Clarke, who as Home Secretary would have a crucial role in any decision on statutory regulation, is among others favouring a privacy bill. However, other cabinet members think it would be impossible to draw up legislation which allowed proper scrutiny of public figures.

One suggestion being floated is that the government might make time in the parliamentary timetable for a private members' bill – in the expectation that a majority of MPs would support it on a free vote – in which the party organisations do not dictate policy.

Mr John Major, who will spend this weekend with the Queen at Balmoral, has signalled his anger at the intense scrutiny by the tabloid press of the marriage problems of Prince Charles and Prince Andrew. Governemnt insiders say Mr Major has discussed the stories with the Queen.

Earlier this summer Mr Major told colleagues that he believed that the current regime of self-regulation did not provide sufficient safeguards. The result was a decision to refer the issue for a second time to Sir David, with a presumption that unless the media demonstrated that the Press Complaints Council could be given teeth then MPs would legislate.

Ministers insist that no decisions will be taken until after Sir David delivers his report in January. But they believe that the latest press coverage of the private life of Mr David Mellor – the Heritage Secretary who – will strengthen a tide of opinion among MPs running in favour of legislation.

Ministers say press hounding Mellor

MR DAVID Mellor, the Heritage Secretary, was said last night to retain the "full confidence" of the prime minister in the wake of the latest newspaper allegations about his personal life, writes Philip Stephens.

Amid speculation among Tory MPs that Mr Mellor is now struggling to hold on to his seat in the cabinet, Downing Street said Mr Major had no intention of asking him to stand down.

Senior ministers voiced concern, however, about what one characterised as an attempt by sections of the media to "hound" Mr Mellor from office. Some of his colleagues are acknowledging that if the press campaign continued there would be a question mark over his future.

The prime minister's officials dismissed as "insignificant" a report in The Daily Mail that the Heritage Secretary had been provided with use of a London flat and of a car by Mr Elliott Bernerd, a wealthy property developer.

A senior official said that Mr Major had been informed of the friendship and was satisfied that there had been no "impropriety".

Government officials said Mr Mellor had used the car provided by Mr Bernerd during the election campaign but had made the proper declaration to electoral officers.

The report followed a series of detailed allegations in other newspapers centring on Mr Mellor's affair earlier this year with Ms Antonia de Sancha. Friends of the Heritage Secretary, who this week said he had no intention of standing down, said the latest allegations were part of a circulation war in the tabloid press.

Under pressure: David Mellor is facing new allegations

UK galleries seek winning ticket in lottery

The National Lottery starts in 1994. Antony Thorncroft reports on its impact on arts funding

THE Museums and Galleries Commission yesterday made a plea for a generous share of the income from the new National Lottery following its official launch in 1994.

A 60-page booklet, "Museums Matter", sets out a national policy for the UK's 2,000 museums, stressing their artistic and commercial importance.

The Commission is putting its case to Mr David Mellor, the Heritage Secretary, ahead of similar lobbying proposals from the Arts Council and the Sports Council.

Mr Peter Longman, director of the Commission, said that it could sensibly spend £250m a year of the Lottery money for ten years on improving museums.

Since the total disposable income from the lottery is estimated at £500m a year the Commission is obviously setting out an optimistic negotiating position.

But Longman believes that, over a decade, the national museums need a £1bn investment to maintain their deteriorating, mainly Victorian, structures; that the underfunded local authority, university, and independent museums require a similar sum; while £500m is required to create endowments for important private museums such as the Dulwich Art Gallery and Charleston farmhouse in Sussex, the shrine of the Bloomsbury Group.

Museums currently cost national and local government just over £400m a year in support, with two thirds of this investment going to the nineteen national museums, such as the British Museum, the National Gallery, and the Tate.

But museums attract 74m visitors a year, (including 17m overseas visitors), more than the theatre and professional football matches combined.

The Museum and Galleries Commission has grown in influence and importance in recent years.

In 1982 it had a revenue of £700,000. It now receives £9m from the government and would expect to have the task of distributing the museum world's share of the Lottery money.

The Commission pinpoints three areas for special government attention. It seeks to fix realistic components for museums in the Standard Spending Assessment figures given to local authorities.

At the moment, unlike libraries, local authorities in England and Wales do not have to support the museums in their area.

The Commission also wants a review of the funding arrangements for university museums, which are suffering badly from the cutbacks in university grants, and the establishment of endowments for private museums with important collections.

In the short term the Commission is seeking a £25m annual increase in the state museum purchasing grants, which have remained frozen since 1985.

This should ensure that no work of art of national importance disappears overseas.

Britain in brief

Fowler raises concerns on EC identity

European Community governments should pay more attention to public concern that national identities are under threat, the chairman of the Conservative Party told members of the European Parliament.

In a speech in London to MEPs of the European People's Party, the centre-right group, Sir Norman Fowler said that people wanted "a Europe which accords with their interests and does not trample over their traditions and national identities".

Sir Norman seized on the statements this week by Mr Bryan Gould and Mr David Blunkett – leading members of the opposition Labour party – which raised the question of revaluing the pound. Labour's attitude to vital issues affecting the future of Europe was increasingly "shambolic and confused", he said.

Virgin rail plan near collapse

Plans by Mr Richard Branson's Virgin Group to start an experimental inter-city train service in competition with British Rail appeared to be on the verge of collapse.

Mr Branson said it had emerged during talks with BR that the charges likely to be imposed by the corporation would be too high for the Virgin service to be commercially viable.

Banks warned on shareholders

Mr Brian Pearse, chief executive of Midland Bank, has warned that banks and companies should be careful to balance the pursuit of rewards for shareholders against other goals.

In a seminar for the Chartered Institute of Bankers he said, "The relentless focus on financial performance places a high value on the pursuit of shareholder value as the dominating factor in business management." He warned that this "can bring dangers if shareholder value is over-accentuated".

Irish bank cuts workforce

Allied Irish Bank, the largest Irish banking group, has cut its UK workforce by nearly a fifth. Last year AIB's 35-branch UK operation made pre-tax losses of £43m, since when it has been struggling hard to reduce its costs by falling back on its core activities.

Mr Niall Gallagher, AIB head of planning, said the bank was cutting 220 jobs across the board, but support and consumer services at its Uxbridge offices would be especially affected.

Forces may get hovercraft

The Ministry of Defence plans to revive the use of hovercraft after abandoning them in the 1980s. It is inviting tenders for up to four diesel-engined hovercraft to start service with the Royal Marines by the end of next year.

Main UK contenders for the contract, expected to be worth about £1m, are Griffon Hovercraft, which has recently clinched export deals for Sweden and Thailand, and Slingsby Aviation.

Harrods for Singapore

Harrods, the Knightsbridge department store, is to open a "signature" shop carrying a representative range of goods in the Japanese Takashimaya department store due to open in Singapore next August.

Over the past seven years Harrods has been steadily expanding its international operations – particularly in the far east – mainly by means of joint ventures running shops-within-shops.

The 4,000 sq ft Harrods store in Singapore will be part of a new development at Ngee Ann City, Orchard Road.

THE PROPERTY MARKET

The first shots have been fired in a battle to boost the image of London Docklands, writes **Vanessa Houlder**

Seconds away. . .

In the right hand corner stands Knocker, a man who buys his Christmas cards in the January sales and thinks Concorde should never have taken off. Facing him is Docker, who believes the Channel Tunnel is a good idea, even if it only means that you get a better *croissant*, and that an office is not just space, it is a "wavelength".

The battleground is London Docklands: Knocker wishes it were never built; Docker welcomes every penny spent on it. Round one got under way this week.

Knocker and Docker are the characters in a quirky advertising campaign launched this week in national newspapers aimed at beefing up the image of London Docklands. After the battering docklands has received in the past year – the collapse of Canary Wharf and thousands of square metres of office space awaiting tenants – it needs this shot in the arm.

The campaign has been greeted with as much derision as acclaim. Admirers conceded that it would be hard to identify with either stereotype. If anything, Knocker, the rational, thrifty and conservative dullard, is more in tune with recessionary Britain than his trendy, cavalier counterpart.

But D'Arcy Masius Benton & Bowles, the advertising company which created the campaign for the London Docklands Development Corporation (LDDC), thinks the advertisements will help overcome the prejudice surrounding docklands. More important, the £600,000, four-week campaign is designed to attract the attention of businesses considering relocation.

"All we can hope to do is to get people to open their minds. I think we have a neat way of pricking people's consciences," says Mr Graham Hinton, joint chief executive of DMB&B. Ironically, the company has had problems in persuading its own staff about the merits of its planned move to Canary Wharf.

The Docklands campaign is perhaps the most prominent of several new property marketing drives to be launched this autumn.

Property marketing became big business in the buoyant late-1980s. Marketing a property once involved producing a simple brochure and placing an advertisement in a trade magazine. In the mid-1980s this gave way to lavish launches, elaborate brochures, hoardings, radio advertising and extravagant "freebies". Agents were – and sometimes still are – enticed to receptions with the promise of free whisky, shirts and televisions.

But with the industry reeling from the effects of recession, the pendulum is now swinging back to more austere ways. At a time of financial stringency, the effectiveness of marketing – and the thousands of pounds spent on launches and advertising – has rarely been under greater scrutiny.

As a result, developers are cutting back their advertising budgets and increasingly relying on agents to market their building. "In the heyday, developers would spend £1 a square foot on marketing," says Mr Charles Okin of Edward Charles, a West End property agency. "It is now down to half that."

Today, property owners are not even convinced they need to advertise to attract tenants. MEPC, for instance, argues that in the current state of the market, companies which are looking for new premises do employ agents. Since the agent's job is to know which property is on the market, advertising is often an avoidable expense. Many other landlords believe that since they already pay agents to market their properties, there is no reason why they should duplicate efforts by doing their own marketing.

The marketing specialists, not surprisingly, reject this viewpoint. "The developers who are stopping marketing are shooting themselves in the foot," says Mr Rob Gilbert of Gilbert Doyle, one of Europe's largest property advertising agencies.

He argues that not all potential tenants employ agents. Moreover, a landlord who relies on his own agent to market his property may receive a poor service because agents often have dozens of properties on their books – all of which must be marketed.

The core of Mr Doyle's argument is that marketing costs relatively little compared with the costs of keeping an office block empty.

Landlords, of course, are only too aware of this. But that does not diminish the challenge for the agents, marketing, public relations and advertising specialists in persuading property owners that they can secure tenants.

It is a sign of the times that none of these specialists can be too boastful about their efficacy. After all, skilled marketing cannot overcome deficiencies in the product or its location.

In Docklands, for instance, every advertising strategy has been tried and found to be flawed. At one end of the scale there are brash advertisements about the cheapness of premises; Wyn-Ro Investments used such tactics to market South Quay Plaza last year. At the other end of the scale is Canary Wharf, which employed senior figures from advertising and banking who still found it difficult to attract tenants.

Specialists point to some basic guidelines when marketing a property. Most fundamental is that properties need to be in their best condition when being viewed. "Inspections are like gold dust. You can't waste the opportunity," says Mr Charles Okin.

Another important point is to play on the building's merits. If a building is architecturally or environmentally distinguished, this should be emphasised. Landlords should also employ direct methods to reach potential tenants, bypassing their agents. "More and more we are trying to get directly to tenants," says Mr Rob Gilbert of Gilbert Doyle. He suggests that brochures, letters and research findings should be sent directly to managing directors of companies looking for new premises.

A more subtle if less well-targetted approach than sending out junk mail is enticing potential tenants to see the building on another pretence.

Drama, exhibitions and even wine tasting are common baits. One example is the National Museum of Cartoon Art, which opens its first exhibition next week in a 19th century office block owned by Lynton, the property arm of BAA. As well as attracting possibly influential people to the building, there is a "feel good, altruistic" message about benefitting the arts, says Mr Iain Taylor of Hudson Sandler, Lynton's publicity adviser.

Another tactic, this time for Imry's building in Grosvenor Street, is wine tasting in conjunction with Grants of St James, the up-market wine seller. "It is important that the invitation comes from Grants of St James," says Mr Taylor. He says the costs of such an event are comparable to placing an advertisement in the trade press, but generate 150 viewings at a stroke.

It is hardly a surprise that landlords should be cynical about marketing; but at the same time they know they cannot ignore it. As Lord Leverhulme, founder of consumer products group Unilever, once famously remarked, half the money spent on advertising is wasted; the difficulty is knowing which half.

The Docker.

The Knocker.

CAPITAL GROWTH (%)

	Retail	Office	Industrial	All Properties
Year to July 92	-0.1	-12.9	-3.1	-5.7
Quarter to July 92	-0.1	-3.4	-2.4	-1.8
Month of July 92	-0.1	-1.1	-0.7	-0.8

Source: Investment Property Databank

CONTRACTS & TENDERS

Chewing over the expense account

In the latest of our series on power lunching around the world, **Robert Thompson** finds restraint and excess

TOKYO

At the most powerful of all power lunches, the monthly gathering of the 29 Mitsubishi group heads, the fare is often humble "curry rice", a gently-spiced, dun-coloured dish which is also the staple of the average office worker in a hurry.

The *Kinyokai*, as the Mitsubishi meal is called, reflects the general restraint exercised by the Japanese executive at lunchtime, when few deals are done and the emphasis is on quick and sober consumption.

Such modest daytime habits are a source of frustration for those foreign competitors who hope that luxury and decadence will undermine the Japanese work ethic.

But while there may be no wine bottles on the table at lunch, after dark the picture is very different, for Japanese business people do their best networking at night. In the evening there will be as much beer, sake and whisky as the body and expense account can bear.

Relationships will be lubricated in exclusive clubs after dinner guests have been jollied in the private rooms of traditional-style restaurants. With important decisions often requiring the approval of more than one executive, the back rooms allow the company the space to seat all who must reach a consensus.

The real entertaining – not the novelty sampler presented to most visitors – tends to be aimed at servicing already-established links and making a contact aware of an impending deal. Indeed, the deal could even be done with a knowing nod between courses.

However, there are some signs that the current lavish entertaining could be under threat. These are supposed to be tough times for executives who are taking ritual salary cuts to express their grief for plunging profits. Dai-Ichi Kangyo, Japan's largest bank, announced recently that directors would take a 5 per cent drop in pay, but an unkinder cut was the 20 per cent reduction in the entertainment budget.

For a top manager in Japan, a chauffeur and fat expense account have always been the expected rewards for 35 years of dutiful service, particularly given that many executive salaries are, by western standards, modest. But now, if the anecdotes of bar owners are to be believed, instead of drinking at two or three different clubs in an evening, managers are restricting themselves to just one venue.

> ### *Menu*
> *Eel on rice*
>
> *Pickled vegetables*
>
> *Cold omelette roll*
>
> *Shredded cabbage*
>
> *Clear soup with eel liver*
>
> *Green tea*

Back at the Mitsubishi lunch table, even in the bleakest times the group's presidents could probably have champagne with their curry if they demanded it. But they appear genuinely more content with a cup of green tea or a weak coffee.

A secretary charged with arranging the Mitsubishi lunches explains that the food is supposed to be consumed within 30 minutes, giving the executives about an hour to divide up the world's riches. But if participants are to be believed, the talk is as innocuous as the menu, for they say they are more likely to listen to a lecture or discuss the use of the Mitsubishi logo than corner markets or create cartels.

Says the secretary: "They don't like me to order food that's difficult for them to chew. They generally prefer something warm. They may have a bowl of noodles or rice with raw fish or sandwiches."

In most Japanese offices on most days, the lunch of champions comes in a lacquered box with quaint little compartments. The centrepiece of this boxed lunch, called an *obento*, could be strips of eel, sushi or a rissole, livened with shredded cabbage, pickled vegetables, a slice of a sweetish omelette, rice and a small pile of cold spaghetti.

If a meeting is destined to drift into lunchtime, a Tokyo *obento* specialist such as Yumeya or Hisago would be called, and the lacquered boxes delivered on the back of a motorcycle. For guests, perhaps Y2,500 (£10) would be the appropriate amount to spend, while the desk-bound worker ordering his or her own would probably opt for a cheaper version with more rice and less substance.

Takashi Taniguchi, manager of the Yamamaru restaurant, a favourite among business people who eat out, offers set lunches ranging from Y1,200 to Y3,500.

He says one consequence of economic downturn is that bills are being split, reflecting the supposedly lower ceilings on expense accounts.

The National Tax Agency reported that expense account claims last year rose a record 13 per cent. The agency's report early next year will prove the best guide to the success or otherwise of the cost-cutting campaign on the feverish evening entertaining that companies feel is necessary for the cementing of long-term business relationships.

Modest lunchtime hab..s give way to extravagance after dark, when the Japanese do their best networking

---

Christopher Lorenz looks at the pros and cons of one of the most powerful corporate concepts

Why diversity is a dirty word in some circles

The principle that a diverse portfolio of investments is the best hedge against bad times, for companies as well as for individuals, is as old as the hills. But so, at least in the corporate world, should be the recognition that diversity can be dangerous. It is now more than a decade since a string of research studies, at the Harvard Business School and elsewhere, began to demonstrate conclusively that most diversifications fail – especially those which are not related (or only distantly so) to the company's "core" activities and skills.

Hence, in part, the drastic purge of past diversifications which most companies have carried out in the past few years. For the majority of them, diversity is now out of fashion. Focus is the new watchword.

So it was quite a surprise late last month to read a statement supposedly made by the chairman of W.H. Smith, the British retailing group which, in the face of deep recession, has just produced a remarkable 27 per cent rise in annual profits. "Chairman attributes result to wide diversity of group activities," it read.

What the man said was rather different. But more of that later. The reality is that diversity has come close to being a dirty word within W.H. Smith. This is not surprising, since it has spent much of the past year reducing its diversity by the sale of several peripheral but problem businesses which it built up in the 1980s. The most peripheral one which still remains, its do-it-yourself joint venture with Boots (called "Do It All"), is causing considerable problems.

The "d-word" has cropped up several other times in the past week, notably in commentary on the results of Williams Holdings, the UK engineering-to-building products combine, and IMI, the engineering group. To confuse matters further after the W.H. Smith misunderstanding, the word was used positively to explain why their 1992 profits are running better than some people expected.

With BTR, one of Britain's longest-surviving exponents of apparent diversity, reporting yesterday, the time is ripe for clarification of what people mean by diversity these days – or, rather, what they should mean.

Back in the expansive 1960s, the word was used more or less synonymously with the term "unrelated". But then the business school boffins got to work and divided diversity into two types: that which is "related" to one's "core" business (another piece of decidedly elastic jargon), and that which is "unrelated". W.H. Smith's diversification into recorded music retailing was related to its core book, newspaper and magazine retailing business, whereas its moves into TV and travel were more or less unrelated.

During the late 1970s and early 1980s, there was considerable progress towards understanding what, if it was to have any meaning, "relatedness" involved. It was applied to three facets of a diversification: product, technology, and geography. Studies aplenty during the 1980s showed that if a company's diversification was unrelated to its existing businesses on more than one of these three counts, it was dangerously risky.

Though most conglomerates crashed or unwound themselves in the 1980s, a handful continued to thrive, notably Hanson and BTR. The reason for this puzzled the boffins until a couple of them (plus some bright consultants) came up with the answer. It was that though the products, industries and technologies of many of the businesses owned by such conglomerates were unrelated, there was a close relatedness (or "focus") in the type of managerial "parenting" which the businesses required from group HQ.

Thus Hanson has been less diverse than it looks. It has concentrated on mature, low-technology, short-cycle businesses which are not very capital-intensive. These are most suited to its natural hands-off parenting style – which the academics call "financial control", as opposed to the "strategic control" or "strategic planning" styles of more interventionist head offices. BTR has operated a somewhat similar approach, though for "low-technology" read "lowish".

In the last 13 months, however, both BTR and Hanson have confused their proven roles as focused corporate parents. BTR has announced the intention of encouraging what it calls "the cross-flow of knowledge" between businesses – an approach which needs more head office intervention, as well as more inter-business communication, than BTR is used to providing. In other words, it requires a pretty unrelated type of parenting.

BTR has also said it intends to trade businesses more readily than in the past – which, on several grounds, may interfere with its "business cross-flow" objective. It also means behaving more like Hanson. Meanwhile the latter is moving in the opposite direction by declaring an intent (at least in the US) to become less of a trader, and instead expand its "core businesses" – a role at which the famous Hanson skills are, at best, unproven.

By contrast with this confusion, W.H. Smith has become crystal clear about the role its head office should play and the type of businesses to which it really can add maximum value. What its chairman actually said a fortnight ago was three things: that the group had become more focused in the past year or two; that it had drawn strength from the relative "breadth" of its retailing portfolio; and that there were still plenty of scale benefits to come from sharing distribution and other systems between its businesses.

In such a context, "breadth" means something quite different from "diversity". To coin a risky pun, W.H. Smith may have a thing or two to teach BTR and Hanson about the dangers of trying to "do it all".

BUSINESSES FOR SALE

PRIVATISATION
GREEK EXPORTS S.A.

ANNOUNCEMENT
OF A PUBLIC TENDER FOR THE HIGHEST BID
FOR THE PIRAIKI-PATRAIKI GROUP COMPANIES

GREEK EXPORT S.A., with registered office in Athens
(17 Panepistimiou Street), legally represented, as liquidator in accordance with article 46a of Law 1892/90,
as supplemented by article 14 of Law 2000/91,
ANNOUNCES
a public tender for the highest bid with sealed, binding offers for the purchase, as whole, of the assets of the following companies:

1. PIRAIKI PATRAIKI SYROS SPINNING MILLS S.A., registered in Syros and engaged in the production of yarns (cotton and mixed polyester and cotton). It is the only factory of the P-P group which produces mixed yarns.

It is equipped with 24 ring machines and 8,592 spindles. The factory is in the Enthermon area of Ermoupolis, Syros, on self-owned land 5,726m² in area.

2. PIRAIKI PATRAIKI NEA PERAMOS SPINNING MILL S.A., registered at Nea Peramos and engaged in producing NE36 on average combed cotton yarns and small quantities of carded NE27-40. It has 154 ring machines and 68,208 spindles.
The factory is on the 32nd Km. of the old Athens-Corinth national road in a fenced plot of land 69,675m² in area.

3. PIRAIKI PATRAIKI SAMOS SPINNING MILL S.A., registered in Samos, produces combed cotton yarns with 40 ring machines and 24,480 spindles in a factory with an area of 12,626m² in the Varelia district of the community of Vathy on a plot of land 184,474m² in area.

4. PIRAIKI PATRAIKI CHALKIDA WEAVING MILL S.A., registered in Chalkida producing unbleached cotton fabrics. The weaving mill is considered one of the largest in Greece in terms of looms with 182 installed Sulzer 153 looms and 88 Sulzer 110 looms. The factory (104,248m²) is in the Vrontou district of Chalkida (within the town plan) on a plot of land 42,882m² in area.

5. PIRAIKI PATRAIKI KARPENISI SPINNING MILL S.A., registered in Karpenisi, produces cotton carded, open end yarns with 64 ring machines and 432 spindles.

6. PIRAIKI PATRAIKI COTTON MANUFACTURING CO. S.A., registered in Athens, 8 Dragatsaniou Street, has the largest turnover in Greece in textiles and effects sales and purchases for account of its subsidiary companies on the Greek and foreign markets.

7. PIRAIKI PATRAIKI PATRAS SPINNING AND WEAVING MILLS S.A., registered in Patras is a vertical spinning and weaving unit of a size, technological level and expertise in specialised textile products that is unusual for Greece. Its spinning and weaving mills, dyeing and finishing, etc. installations are the main production units on a 52-acre plot of land and in buildings with a total volume of 713,000m³.

8. PIRAIKI PATRAIKI NEA IONIA SPINNING & WEAVING MILLS S.A. registered in Nea Ionia, produces cotton yarns and fabrics in a factory of 92,820m² (land plot 20,218m²) on the corner of 2 A. Panagouli and 6 Sinlosoglou streets in Nea Ionia. The factory uses 12 PLAT 40 machines with 6,584 spindles and 96 SULZER 153 looms as well as a full equipment of production support machinery.

Fuller and more detailed data on the company's fixed assets (plots of land, buildings, machinery, etc.) as well as data on current or circulating assets (reserves, claims, etc.) are contained in the offering memorandums.

TERMS OF THE TENDER

1. Interested parties are called upon to receive from the liquidator the Offering Memorandum (if they have not already done so) and to submit a sealed, binding offer to the notary public appointed to the tender up to 30th September 1992 at 12 noon. The offer is to be submitted in person or by a legally authorised representative and the relative document of submission will be drafted.

2. The notaries appointed to accept the offers are the following:

a) PIRAIKI PATRAIKI SYROS SPINNING MILLS S.A.: Evangelia Georgiou Sofikitou, 13 Emm. Roidi Street (1st floor), Syros, Tel. 30-281-24439, 30-281-26939.

b) PIRAIKI PATRAIKI NEA PERAMOS SPINNING MILL S.A.: Constantina Anastasiou Vasiliou, 104 Aeolou Street, Athens, Tel. 30-1- 321.7222, 30-1-321.1162.

c) PIRAIKI PATRAIKI SAMOS SPINNING MILL S.A.: Ioannis Nicolaou Kiranis, Vathy, Samos.

d) PIRAIKI PATRAIKI CHALKIDA WEAVING MILL S.A.: Ioannis Efstathiou Gerogiannis, 22 El. Venizelou Street, Tel. 30-221-23343.

e) PIRAIKI PATRAIKI KARPENISI SPINNING MILL S.A.: Irene Papadopoulou-Anafioti, Karpenisi, Tel. 30-237-22922.

f) PIRAIKI PATRAIKI COTTON MANUFACTURING CO. S.A.: Dimitrios Constantinou Dimitrellos, 62 Acadimias Street, (1st floor), Tel. 30-1-363.5520, 30-1-361.2938.

g) PIRAIKI PATRAIKI PATRAS SPINNING & WEAVING MILLS S.A.: Panayotis Vassiliou Koidalis, 31 Patreos & 31 Maizonos Street, (1st floor), Patras, Tel. 30-1-6-277.765.

h) PIRAIKI PATRAIKI NEA IONIA SPINNING & WEAVING MILLS S.A.: Aristomenis Dionysiou Mihalopoulos, 9 George Street, Tel. 30-1-360.4507.

The bids will be unsealed before the above notaries on 30th September 1992 at 1230 hours with a legal representative of the liquidating company in attendance and all those who have submitted bids within the prescribed time limit are also entitled to attend. Bids submitted beyond the prescribed time limit will not be accepted or considered.

3. The sealed, binding offers must clearly state the offered purchase price, as a whole, of the assets of the company and must be accompanied by a letter of guarantee from a bank legally operating in Greece for the amount of 250,000,000 drachmas or its equivalent in U.S. dollars for the PIRAIKI PATRAIKI COTTON MANUFACTURING CO. S.A. For the other companies, the amount is 100,000,000 drachmas separately for each. In the event of a global offer for all the companies of the group, the letter of guarantee should be for 500,000,000 drachmas.

FOR MULTIPLE OFFERS (MORE THAN ONE COMPANY OR THE ENTIRE GROUP) THE PRICE OFFERED FOR EACH COMPANY MUST BE INDICATED AND THE GUARANTEE MUST REPRESENT THE TOTAL AMOUNT OF THE GUARANTEE FOR EACH SEPARATE COMPANY.

In the event that the bidder to whom the assets for sale have been awarded should fail in his obligation to present himself, at the invitation of the liquidating company, and sign the relative contract within thirty (30) days of being invited to do so, or abide by the other obligations accruing from this announcement, then the deposited guarantee is forfeited in favour of the liquidating company GREEK EXPORTS S.A. to cover all expenses of any kind and time spent, as well as any actual or hypothetical loss without any obligation on the part of the liquidator to give an accounting of them, or GREEK EXPORTS S.A. having the added right to consider the forfeiture as a penalty clause, in which case again it can retain the guarantee or collect it from the guarantor bank.

Guarantees deposited for participation in the tender are returned to the other bidders after the adjudication of the tender to the highest bidder, after the agreed purchase price has been paid and the act of settlement drafted.

4. The highest bidder is considered to be the one whose bid was evaluated by the liquidating company and approved by 51% of the creditors as being in their best interests.

5. The liquidator has no liability or obligation whatsoever towards participants in the tender, both with regard to the drafting of the evaluation report on the bids submitted to the creditors or with regard to his proposal of the highest bidder. Also, he has no liability or obligation to participants in the tender in the event of its cancellation or resumption, if the result should be deemed unfavourable to their interests by the creditors.

6. Those taking part in the tender and submitting bids do not acquire any right, demand or claim, from the present announcement and from participation in the tender, against the liquidator for any cause or reason.

7. Any changes that may arise in the current assets of the companies between the date of commencement of the liquidation and adjudication of the tender, will be adjusted accordingly in the sales prices, their evaluation being made with the same method as the evaluation of the balance sheet at the start of the liquidation . For this reason bids must clearly indicate the amount foreseen for reserves and claims.

8. Transfer expenses (taxes, stamp duty, notary and mortgagor's fees, dues and other expenses for drawing up topographical plans according to Law 651/77, etc.) are borne by the buyer.

Offers concerning the total number of companies in the group should be submitted to the notary Mr. Dimitrios Dimitrellos.

Offers concerning more than one company should be submitted to one of the notaries appointed to the companies concerned.

For more information, interested parties can apply to GREEK EXPORTS S.A., 17 Panepistimiou Street, Athens, Tel: 30-1-324.3111/5, Fax: 30-1-323.9185 and to the INDUSTRIAL RECONSTRUCTION ORGANISATION (IRO), 234 Syngrou Ave., Athens 176 72, Tel: 30-1-951.3224, Fax: 30-1-956.8788 and 30-1-965.3285.

SOUTH AFRICA - CAPE TOWN
FOR SALE
Air Conditioning/Refrigeration Company
Highly regarded in its industry. Includes modern 1250m² factory building incorporating air-conditioned offices and a fully equipped sheet-metal and refrigeration workshop.
Price £500,000.00
Please reply to Box A4245
Financial Times
1 Southwark Bridge
London SE1 9HL
ENGLAND

ALUMINIUM WINDOW/DOOR COMPANY
Profitable niche business area, £1m turnover. Flexible sale arrangements
Write Box A4365, Financial Times, One Southwark Bridge, London SE1 9HL
or fax: 0827 830745

Touche Ross

Coach Holiday Operators Impact and Med
(In Administrative Receivership)

The Joint Administrative Receivers offer for sale the business and assets of Impact Holidays Limited and Med International Limited.
- Combined turnover approximately £5 million.
- Site operations, including camping equipment at 15 sites located in France, Spain and Italy.
- Experienced office and sales teams and field support staff.
- Customer lists.
- Leasehold site in Antibes, France.
- Leasehold offices in Carlisle and Selby.

For further details, please contact either Fraser Gray or Alan Hyslop at the Company offices. Tel: 0228 42100 or Fax: 0228 42080 or at the address below.

Deloitte Touche Tohmatsu International
39 St Vincent Place, Glasgow G1 2QQ.
Tel: 041 204 2800. Fax: 041 221 1864.
Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

REPUBLIC OF POLAND
MINISTRY OF PRIVATIZATION
INVITATION TO NEGOTIATE

The Minister of Privatization, acting on behalf of the State Treasury in accordance with Article 23 of the Privatization of State-Owned Enterprises Act of July 13, 1990 (the Privatization Act), hereby issues an Invitation to Negotiate to all suitably qualified parties interested in the purchase of the shares of "Krakszklo" sp. z o.o. ("the Company"). This invitation is for the purchase of no less than 10% of the share capital and no more than the total share capital of the Company less the shares to be offered to the Company's employees pursuant to Article 24 of the Privatization Act. "Krakszklo" is engaged in the manufacture and sale of mirrors and mirrored products.

In accordance with Article 24 of the Privatization Act, up to 20% of the shares of the Company will be offered to the employees of the Company on a preferential basis. The present invitation to negotiate includes negotiations on the option to purchase shares offered to the employees pursuant to this article but not purchased by the employees.

An Information Memorandum is available, subject to signature of a Confidentiality Agreement, and may be obtained from Price Waterhouse - International Privatization Group (PW-IPG) at the address below. Upon receiving a written expression of interest, PW-IPG will send a Confidentiality Agreement to the interested parties. The Information Memorandum will provide the guidelines and timetable for preparing and submitting a proposal for the purchase of shares in the Company.

All written expressions of interest must be received no later than 5 pm on September 25, 1992. The Ministry of Privatization reserves the right to extend this deadline, but is under no obligation to consider expressions of interest and requests for the Information Memorandum after September 25.

All expressions of interest and inquiries concerning this invitation should be addressed to:

International Privatization Group	Attn:	Mr. Neil Murdoch
Price Waterhouse		Mr. John Butt
ulica Krucza 36, pokój 713	Tel:	48-22-21-34-68
00-525 Warszawa,		48-2-628-0281 ext 322
Poland	Fax:	48-22-21-34-68

For inquiries not related to the glass industry, Price Waterhouse's main office should be contacted at: ul. Bagatela 14, 00-950 Warszawa; tel (48-22) 21-54-51 or 21-83-94, or fax: 21-74-59.

LEONARD CURTIS

BY ORDER OF THE JOINT ADMINISTRATIVE RECEIVERS
DAVID SWADEN FCA & DERMOT J POWER FCA
IN THE MATTER OF

HOMESTYLE MANUFACTURING LIMITED

Offers are invited for the business and assets of the above company.

- Manufacturer of freestanding Bedroom & Lounge Furniture.
- Fully equipped, single storey freehold factory of 85,000 sq ft.
- Blue Chip customer list including Mail Order Companies.
- Annual turnover to April 1992 of £2.2 million.
- Current orders of approx. £200,000.

Enquiries should be addressed to Ges Ratcliffe at:-
Leonard Curtis & Partners, Chartered Accountants
Peter House, Oxford Street, Manchester, M1 5AB
Tel: 061 236 1955 Fax: 061 228 1929

JAMES CHANDLER (LEWES) LTD
(IN ADMINISTRATIVE RECEIVERSHIP)

The Joint Administrative Receivers offer for sale the business and assets of James Chandler (Lewes) Ltd.

The company operates as builders merchants and roofing contractors.

The principal features of the business include:
- Long established company with seven depots in Sussex, five of which are freehold.
- Emphasis towards heavy-side merchanting.
- Turnover of approximately £19m for 1991, £12m from Builders Merchants, £7m from Contracting.
- Freehold head office and vehicle workshop in Lewes.

For further information, please contact the address or telephone number below quoting the above company name.

Arthur Andersen
PO Box 55, 1 Surrey Street,
London, WC2R 2NT
Tel: 071 438 3773
Fax: 071 438 3771
Tlx: 8812711

Arthur Andersen is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

ARTHUR ANDERSEN

FOREST PRODUCTS IN BRAZIL

The Company owns 88700 ha of continuous land including a forest of 28600 ha. In Pinus Caribaea and Oocarpa planted 1977 to 1982. Yields: 13 to 22 solid m³/ha/yr. Located 250 km north of Belo Horizonte, served by asphalt roads and railways. Excellent opportunities since this is one of the last homogeneous forests not yet committed to an end products user.

Large potential in wood products, pulp, chips and charcoal, for local and export markets. Cash flow already positive due to first thinnings for sawmills, chips and charcoal.

Owners seek technical assistance to help further development. Sale or Merger considered. Write to J.F. Soublin, 13 Bd. Péreire, 75017 Paris, France.

FOR SALE
A profitable specialist controlled circulation business magazine.
This is a well established magazine serving a high growth market. T/O currently £300,000 with potential to increase. Up-to-date mailing list of 9,000 and full marketing records.
Principals only please to Box no A4356, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESS AND ASSETS
Of solvent and insolvent companies ; for sale.
Business and Assets.
Tel 071 262 1164 (Mon - Fri)

RECRUITMENT AGENCY FOR sale well established Specialising in Computer Staff. Four S.E. Locations Write to Box A4358 financial times, one Southwark Bridge, London SE1 9HL.

LEGAL NOTICES

In the Matter of The Insolvency Act 1986
- and -
In the Matter of John Butler & Sons Limited
(In Administrative Receivership)
Registered No. 1357249
TRADING ADDRESS & REGISTERED OFFICE Warren Court Farm, Knockholt Road, Halstead, Kent
Notice is hereby given pursuant to Section 48 of the Insolvency Act, 1986 that a Meeting of the above Company will be held at 142/148 Main Road, Sidcup, Kent DA14 6NZ on Thursday 17th September 1992 at 10.30 a.m.
A Form of Proxy is enclosed and a Creditor is entitled to vote only if he has sent to the Joint Administrative Receivers at Messrs. Booth White, 142/148 Main Road, Sidcup, Kent DA14 6NZ, not later than the 15th day of September 1992 details in writing of the debt that he claims to be due to him from the Company and the claim has been duly admitted under the provisions of the Insolvency Rules, 1986 and their has been lodged with the Joint Administrative Receivers any Proxy which the Creditor intends to use on his behalf.
Creditors whose claims are wholly Secured are not entitled to attend, or be represented at the Meeting. Creditors whose claims are partially Secured should deduct the value of their security from their total claim and they will only be allowed to vote on the Unsecured portion of their claim.
Dated this 2nd day of September 1992.
Brian Mills and Colin G Wiseman
Joint Administrative Receivers

NOTICE OF INTENDED DIVIDEND
In the matter of The Insolvency Act 1986
and in the matter of
Atlantic Medical Products Limited
NOTICE IS HEREBY GIVEN that it is my intention to declare a first dividend to unsecured non-preferential creditors of the above-named company no later than 19 October 1992.
Creditors who have not yet done so are required, on or before 5 October 1992 to send their proofs of debt to the undersigned T R Harris of Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ, the liquidator of the company and, if so requested, to provide such further details or produce such documentary or other evidence as may appear to the liquidator to be necessary. A creditor who has not proved his debt by the date specified will be excluded from the dividend.
Signed: T R Harris, Liquidator
Date: 8 September 1992
NOTE: The dividend is expected to be in the region of 31%.

KEVIN FRANCIS HERBERT MAXWELL
A meeting of creditors has been summoned by the Trustee for the purpose of
1. Appointing Phillip Rodney Sykes to act as Joint Trustee with Peter William Grostate DuBuisson, either one of them to act in any matter.
2. To establish a creditor's committee.
The meeting will be held as follows:-
Date: Thursday 17 September 1992
Time: 14:30 hours. Place: BDO Binder Hamlyn, 20 Old Bailey, London EC4M 7BH

COMPANY NOTICES

THE ROYAL BANK OF CANADA
U.S. $300,000,000 Floating Rate
Debenture Notes due 2085
NOTICE IS HEREBY GIVEN that for the Interest Period commencing on 14th September, 1992, the Notes will bear interest at the rate of 3⅜% per annum. The interest payable on 14th December, 1992 against Coupon No. 27 will be U.S. $8.53125 per U.S. $1,000 nominal.
Agent Bank
ROYAL BANK OF CANADA EUROPE LIMITED

ART GALLERIES

KUNSTMUSEUM AND KUNSTHALLE Basel/ Switzerland: transForm Picture Object Sculpture in the 20th century 14.6. - 27.9.1992. Daily 10-17 h.

MANAGEMENT CONSULTANCY

The FT proposes to publish this survey on October 8 1992.
It will be of particular interest to the 60,000 UK Businessmen involved in decision making for Management Consultancy, who read the weekday Financial Times - this is more than any other national daily newspaper.*
If you want to reach this important audience, call
Sara Mason
Tel: 071-873 3349
Fax: 071-873 3064

Data source: BMRC Businessman Survey 1990*

FT SURVEYS

AUCTIONS

MINISTRY OF HEALTH, WELFARE & SOCIAL INSURANCE
METAL WORKERS' PENSION FUND
Head Office: 39 Filonos Street, Piraeus

SUMMARY
Of the programme for the compulsory auction of the movable assets of ELEUSIS SHIPYARDS S.A., in debt to E.T.E.M.

I hereby declare that on Wednesday (16) sixteenth of September, (1992) of the year nineteen hundred and ninety - two, by expedition of the Fund, there will be a sale by auction of movables of a total value of 4,145,788,000 drachmas belonging to the debtor company ELEUSIS SHIPYARDS S.A. in order to pay the Metal Workers' Pension Fund (E.T.E.M.) for contributions, dues and expenses owed to it amounting to two thousand eight hundred and sixty -five million, five hundred and sixty-four thousand, five hundred and sixteen drachmas (2,865,564,516). The effects to be auctioned are the following:

1). Three KRUPP travelling rail cranes 30.35 and 50 metres high worth 370,000,000 drachmas. 2). Five KRUPP revolving- head cranes worth 300,000,000 drachmas. 3). Four 35-seat MERCEDES buses with registration numbers HY-1874, HY-1829, BI-573 and AH-2939 worth 100,000,000 drachmas. 4). One KRUPP-ARDELT fixed-base, 20-metres revolving crane with control-cabin worth 180,000,000 drachmas. 5). Three MERCEDES buses with registration numbers HY-1974, HY-1829 and AH-2939 worth 60,000,000 drachmas. 6). One KRUPP travelling rail revolving -head crane worth 125,000,000 drachmas. 7). One self-flooding floating dock No.3 - CHH/1972 with a lifting capacity of 33,000 dwt., in operation, worth 1,125,783,000 drachmas. 8). One self-flooding floating dock with a lifting capacity of 20,000 dwt., 277.5 m. long, 44 metres wide and 14.8 metres deep, 1971, in operation. 9). Four KRUPP fixed-base revolving head cranes worth 200,000,000 drachmas. 10). Nine MERCEDES buses with registration numbers AH-2939, HY-1829, HY-1873, AH-2831, HY-1828, BI-6196, BX-6485, EA-8902 and EE-3778 worth 36,000,000 drachmas. 11). One VOLVO bus with registration number BI-5078 worth 4,000,000 drachmas. 12). One self-flooding floating dock No.3 CHH/1972 with a lifting capacity of 33,000 dwt. worth 1,125,000,000 drachmas.

The auction will take place at Elefsina at the Eleusis Base, within the premises of the debtor company before the staff members appointed to the auction, messrs. Efstathios Amarantides, Maria Digalakis, Panayiotis Koutsilaios, Fani Dimoulis, Evangelia Pitichou - Zaharopoulou, Vasilios Tzamouranis and Aikaterini Skourtis-Bitsioris or their legally appointed representatives, between the hours of 12 noon and 2 p.m. of the same day.

Nobody can take part in the auction unless he has deposited a drachmas guarantee in cash or in a Consignement and Loans bill.

The adjudication will be made to the highest bidder as provided by law.

The highest bidder is required to pay the amount of his bid into a public treasury office within ten (10) days. All expenses are to be borne by the highest bidder. For the rest, provisions in force concerning the collection of public revenues, and the civil code, are applicable.

Evaluation: 4,145,788,000 drachmas.
Starting bid by the state: 2,017,894,000 drachmas.

Information: Mrs. Stella Voutsina Tel: 30 1 412 9829
Fax: 30 1 412 0795

PIRAEUS, 27/8/1992
The Expediting Director of the Metal Workers' Fund
(signature)
Constantine Rizogiannis

CONTRACTS & TENDERS

Treuhandanstalt
The Treuhand Agency is offering as a whole or in part, the
Baustoffe Porschendorf GmbH i.L.
O–8351 Porschendorf
in the free federal state of Saxony for sale.

Purchase requires that at least 100 jobs be secured.

The company has been manufacturing quarry tiles since 1957. The production conversion into asbestos free transite occurred in1991.

Employees:
Skilled workers for plant engineering and automatic installations, electricians, mechanics, technicians, motor fitters, pipe fitters, industrial foremen, administrative personnel.

Area and Existing Buildings:
The firm operates on a total area of 103,178 m². It is divided into an old plant and a new plant. The entire property is asbestos free. The plants are located right next to each other, are connected to energy and water supply networks and have their own railway connection.

The property is well suited for the dismantling of current production and offers extensive investment opportunities for similar businesses.

A large-scale gravel deposit is located 14 km distant.

Old Plant:
Total area: 30,000 m², improved with a hall complex, administration buildings, production, warehouse and various annex buildings.

New Plant:
Total area: 73,178 m², improved with a cement silo station with gas and oxygen storage, compressors and cement station, light-gauge steel construction hall, arched binder hall, production, administration and various annex buildings.

Location:
Porschendorf is located 25 km east of Dresden, the capital of Saxony and 10 km north of the industrial city of Pirna. It is easily reached from the B 6 and B 172 federal highways and from the vicinity of the A 4 und A 13 federal autobahns.

Invest in the new federal states of Germany.

Qualified personnel from the region is prepared to join you in developing a competitive firm.

Inspection dates should be arranged through Dr. Müller-Leydig, telephone: (035026) 8362/8200, telefax: (035026) 82 20 or Prof. Wandel, telephone: (07071) 621 11, telefax: (07071) 60 01 45.

Additional information on bidding procedures can be obtained from: Treuhandanstalt, Direktorat U4 A, Telefax: 49-30/3154-1558 or 2903.

Deadline for all bids: October 2, 1992, 12:00 a.m. Room 3207 at the:

Treuhandanstalt
Direktorat U4 A
Leipziger Straße 5–7
O–1080 Berlin

Gemini's exchange rate hope

The future of the Gemini Project, an international astronomy collaboration, could depend on foreign exchange rates.

Gemini aims to be the first of a new generation of large, eight-metre diameter mirror telescopes needed to take infra-red astronomy into the next millennium. Two telescopes are required to scan the entire sky and the proposed sites are at Mauna Kea on Hawaii and Cerro Tololo in Chile. Both telescopes should be operational by 2000.

Half of the $176m (£89m) in funding for Gemini has been contributed by the US, 25 per cent by Britain and 15 per cent by Canada, leaving 10 per cent to be found. Chile has sent a letter of intent offering another 5 per cent, but the remainder still needs to be raised.

While several countries have expressed interest none has so far committed. In view of previous successful joint ventures, a formal invitation has been issued to Australia which is still deliberating over whether to accept.

Even if no new parties come forward, the project could be rescued by the weak dollar – a suggestion proposed by Lawrence Randall, Gemini's project manager. As the project is budgeted in US dollars, Canada and Britain between them would have sufficient funds to buy the remaining share simply by taking advantage of the relative strength of their currencies.

However, Geoffrey Moore, head of public relations at Britain's Science and Engineering Research Council, said: "We are confident that another country will take up the shortfall. If we did take advantage of the exchange rates we would have to bear the cost if future rates became unfavourable and we cannot take that risk."

The new telescopes will have four times more light-collecting capacity than their predecessors so that known objects can be surveyed in a quarter of the time and new, fainter objects become visible.

The viewing range has been considerably increased, extending from ultraviolet through visible to infra-red light at wavelengths well beyond those used previously. Also, the mirror arrangement within the Gemini telescopes allows larger measuring instruments to be installed.

Jennie Lynch

Now that's fast

Fujitsu's new supercomputer is capable of 350bn calculations a second, reports **Alan Cane**

Fujitsu, Japan's largest computer company, is set to take a spectacular lead in the race to build the world's most powerful computers.

Yesterday it announced a new supercomputer which it claims is more than 20 times faster than its nearest competitor, a staggering margin in a business where millions of dollars are spent to yield only a few percentage points' improvement in performance.

The new machine makes extensive use of superfast chips fabricated in gallium arsenide, a substantial technical first for the Japanese manufacturer. Gallium arsenide chips are faster than silicon but are expensive and difficult to make.

If the machine is as fast and as easy to operate as Fujitsu says, it will mean that for the first time the Japanese have a significant technological advantage over the American companies which have dominated the supercomputer market for the past 20 years.

It will confirm the fears of US experts who three years ago predicted that Japan would have caught up with the best US companies by 1994 and lead the market by the turn of the century.

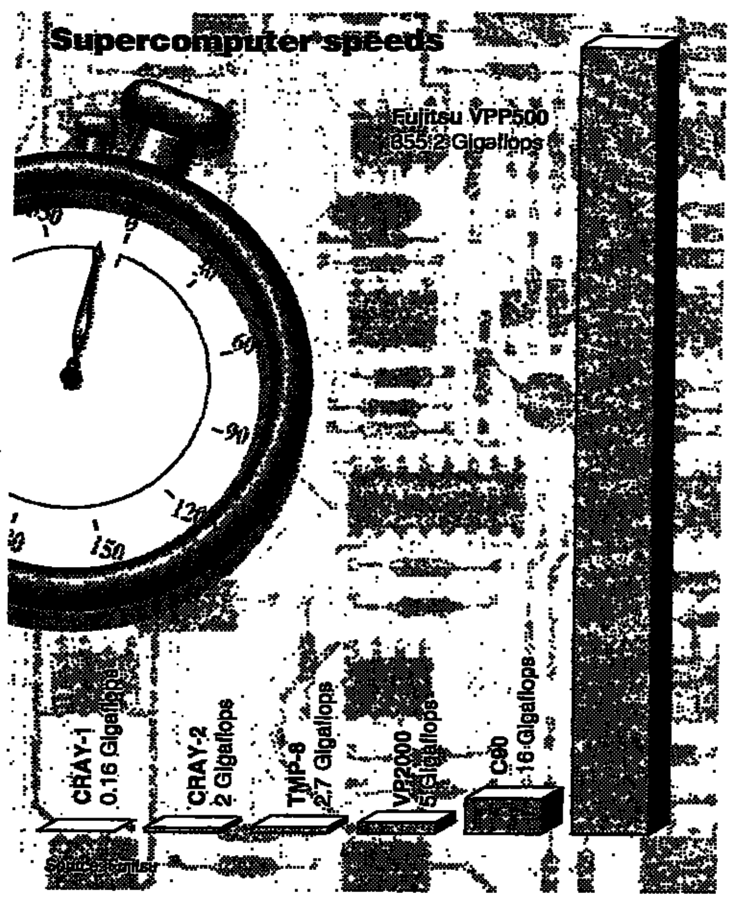
The power of supercomputers is measured in terms of their ability to carry out arithmetical calculations – "gigaflops" or billions of floating point operations a second. Fujitsu says its new machine, the VPP500, runs at a maximum of 355 gigaflops. By comparison, the fastest US-built commercial supercomputer, the Cray C90, runs at only 16 gigaflops.

The Japanese company believes its new technology will enable it to build a computer capable of more than a thousand billion calculations a second (teraflops). Tadashi Sekisawa, Fujitsu president, said this week: "We expect to offer 10 teraflops' performance before the end of the decade."

Computing power of this magnitude is hard to appreciate. The VPP500 is aimed at the so-called computational "grand challenges" including global warming, drug development, seismic data processing, vehicle crash simulation and weather forecasting, problems which mean hours of processing time on the largest machines available today.

Sekisawa says the new machine "will permit scientists and engineers to tackle and solve hitherto unapproachable computational problems". The company will begin shipping the new machines early next year; it believes it can sell 50 units over the next three years at between $10m and $50m a unit.

But can the VPP500 fulfil the ambitious performance claims Fujitsu is making for it? Until the first systems are installed and running it is impossible to say, but experts warn that Japanese supercomputers have a reputation for running faster on paper than in the data centre. They point out that while peak speed may be impressive, overall performance when tackling real-life problems is often at a much lower level.



Some supercomputers manage an average of only 5 per cent of their maximum speed on some problems. Cray Research has managed to hold its 63 per cent share of the world supercomputer market as much because of the quality of its software as the speed of its hardware.

Fujitsu argues the novel design of the VPP500 guarantees sustained high-level performance. Supercomputers today typically get their speed from either vector processing, where the same mathematical operation is applied to strings of numbers, or parallel processing, where many processing units carry out calculations simultaneously.

The new Fujitsu machine, however, combines the two approaches in a technology called "vector parallel processing". The VPP500 comprises from seven to 222 vector processors arranged in parallel. Each processor, which is about the size of a small suitcase, can deliver 1.6 gigaflops. The processors are linked together by a network through which data can be squirted at 800 Mbytes a second.

The future of supercomputing is thought to lie in "massively" parallel systems where hundreds or thousands of small, simple processors work together. They are powerful but difficult to program.

The VPP500 uses a relatively small number of processors, each roughly equivalent to a conventional supercomputer. Programming is, therefore, fairly straightforward. The operating system is Fujitsu's version of Unix, UXP/VPP and the system supports Fortran 77, the standard scientific programming language.

Fujitsu is introducing its new machine to a supercomputing world in turmoil. Cray Research of the US, a vector processing specialist, is still the market leader, but it no longer sets the agenda. It has been forced to introduce a less powerful, entry-level, model to compete with "minisupercomputer" manufacturers, companies making machines which deliver much of the power of a supercomputer at a fraction of the cost.

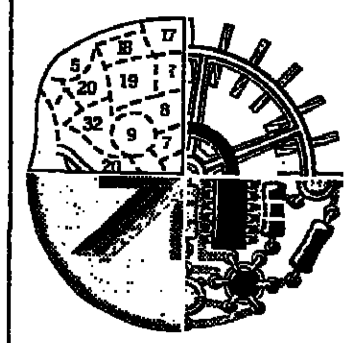
At the other end of the scale it has been forced to answer the challenge of massively parallel computer makers, among them companies as different as International Business Machines and the semiconductor manufacturer Intel. Cray is planning to launch next year its own design of massively parallel machine based on Digital Equipment's Alpha chip. The Alpha chip is the fastest available, but Digital has yet to demonstrate its ability to make the chip in quantity.

Meanwhile Seymour Cray, designer of the world's first supercomputer, has run into trouble. As the driving force behind Cray Research until he established Cray Computer Corporation in 1989, he has had to scale back plans for the construction of the Cray-3, an innovative machine based on gallium arsenide chips and novel cooling techniques. His first – and only – customer for the new computer, a US government laboratory, cancelled the order at the beginning of the year because of uncertainties over progress.

Gallium arsenide chips run at about three times the speed of their silicon equivalents but they are tricky to manufacture. Fujitsu, one of the world's most skilled semiconductor makers, has managed to fabricate gallium arsenide chips for the VPP500 with 25,000 logic elements on each chip. It cools the system with nothing more complicated than air and water.

The Japanese company has been in the supercomputer business since 1977, and today has 50 per cent of the Japanese market and 23 per cent of the world market.

Worth Watching · Andrew Baxter



Camera eyes up the photographer

Photography buffs can now buy a camera that senses what part of a picture the photographer's eye is focused on, writes Michael Kenward.

The new Canon EOS-5 incorporates an intelligent automatic focusing system which homes in on the area of the image where the eye is looking. A small infra-red light-emitting diode in the single-lens 35mm reflex camera illuminates the eye as it looks into the viewfinder.

Sensors in the camera analyse the pattern of reflected light and discover where the eye is looking. The camera's electronics then pick out which of five focusing points is nearest to where the eye is directed, and the lens automatically focuses on that point.

The EOS-5 sells for £499.99 and goes on sale in the UK next month. Canon: UK, 081 773 3173.

Computer wears dark glasses

Just as commuters habitually find something more interesting in their fellow-passengers' newspapers than their own, workers in open plan offices often find it hard to resist stealing a glance at their colleagues' computer screens.

But help is at hand for those who handle confidential or proprietary information, or workers in open plan or public areas, who cherish their privacy. A new screen filter from 3M is claimed to be the first to combine privacy, glare reduction and radiation protection.

The 3M Privacy Plus Filter allows only an operator seated in front of a computer screen to see the information displayed. The privacy protection feature uses 3M "microlouvre" film, containing microscopic louvres which make the screen look dark when viewed from the side.

The filter, along with three others offering combinations of the three features, is made of glass, with a simple "squeeze" adjustment to custom-fit them to the monitor. They will be sold initially through accessory catalogues. Action Computer Supplies: UK, 0800 333333; Orion Media Marketing: UK, 081 847 4141; The Little Red Book: UK, 0800 521375.

Aeroplanes do as they're told

Speech recognition systems are finding their way into a number of applications, but many systems still need to be trained to recognise the voice of a particular user.

The US defence contractor Teledyne Systems is investigating the feasibility of using speech to control instrumentation in the next generation of military aircraft and vehicles, and has turned to Logica of the UK for one of the first speech systems to use "speaker independent recognition".

To test the concept, Logica has developed a demonstrator to provide voice command of graphic displays and communications equipment in a simulated avionics environment. The system extracts the common features from a wide range of accents and speaking styles, and creates a statistical model for each vocabulary word. Logica: UK, 0223 66343.

Sensor with a taste for good beer

Sensor technology is becoming increasingly important in the beverage industry, and now producers have a quick way to distinguish between the various fluids in the pipes and tanks that form an important part of their manufacturing process.

A new German opto-electronic process, being launched in the UK by Carel Components, measures the refractive index of liquids to indicate what fluid the tip is in contact with.

The product, says London-based Carel, has a specific application in CIP (clean-in process or clean in-place) because it can sense the difference between beer, water and cleaning fluids. Carel Components: UK, 081 946 9882.

PEOPLE

Edington says can-do for British Steel

British Steel is raising the stakes in its struggle to fight back against the threat from aluminium by poaching its new technical chief, 53-year-old Jeff Edington, from Alcan Aluminium in Montreal.

British-born Edington, a career metallurgist who travels on an American passport, joined Alcan in 1982 after spells at the Batelle Memorial Institute in Ohio and Cambridge University, where he was a fellow of Darwin College. As Alcan's vice president, research and technology, Edington played a big role in developing the group's aluminium can business.

In terms of size, the world steel industry overshadows aluminium by a factor of 40. But the growth in consumption of aluminium outstrips that of steel and Edington sees part of his job as redressing the balance.

"Almost everything I learned in aluminium can be transferred across," says Edington, who replaces the recently retired Frank Fitzgerald as British Steel's managing director, technical.

In terms of beverage cans, he says that aluminium has already won the battle in the US and is now in the process of mounting a serious assault in Britain. As British Steel's top technical man, Edington will play a big part in developing new steel products to meet the challenge.

Providing steel for the car industry is another big area where the competition between steel and aluminium is very visible. "There is a lot of life left yet in steel," says Edington, who is very conscious of the environmental challenges of providing more fuel-efficient vehicles.

Edington, who has spent over half his working life in North America, refuses to say whether he took a pay cut to return to Britain. However, he says he was educated at taxpayers' expense in Britain and feels strongly that a healthy steel industry is important if Britain's manufacturing industry is to prosper.

If the infrastructure in Britain, the US and eastern Europe really is to be rebuilt, then Edington is optimistic that steel can become a growth industry again.

McKinnon joins Morrow, again

Sir James McKinnon, the combative boss of gas industry regulator Ofgas, seems to be making the most of his friendship with Sir Ian Morrow.

Since they met many years ago through the Scottish Institute of Chartered Accountants – of which they have both been president – Sir James has now joined two boards of which Sir Ian is chairman. Earlier this summer, McKinnon, who has said it may not be appropriate (in the light of the Monopolies and Mergers Commission's wide-ranging inquiry into British Gas) for him to see out his term to September 1994, became a non-executive director of evening primrose oil manufacturer Scotia Holdings (previously Efamol). Now he is also joining the board of MAI, the money-broking to media conglomerate of socialist peer Lord Hollick.

Sir James, finance director of Imperial Group from 1967-1986, says he has always been "fascinated" by the money markets, and relishes the idea of getting back into the "mainstream business". The prospect of television – "from the other side" of the camera" – also interests him. "I am intrigued about how you go about acquiring and keeping a franchise." MAI holds a majority share in Meridian which has successfully bid for an ITV franchise.

While some have seen him as a possible successor to 80-year-old Sir Ian in the chair at MAI, Sir James, himself 63, vigorously denies any such ambitions. "He [Sir Ian] is incredibly energetic and capable, and looks as if he will go on for ever."

With Sir Ian playing the Liberal Democrat to Lord Hollick's Labour views, Sir James will not divulge what colour he will contribute to the kaleidoscope of political views already represented on the board of MAI. "My Ofgas job renders me apolitical," he says cagily.

Bodies politic

■ Ivan Prys Edwards has been appointed chairman of Sianel Pedwar Cymru (S4C) for a period of five years from October 1. He has been chairman of the Wales Tourist Board since 1984, is president of Urdd Gobaith Cymru (Welsh League of Youth), a member of the Court of the National Eisteddfod and of the British Tourist Authority.

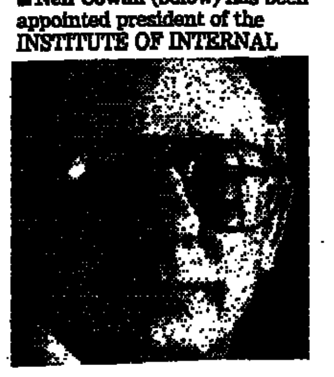
■ Peter Walters, divisional director of Cargill Technical Services, has been elected chairman of the BRITISH CONSULTANTS BUREAU.

■ Robert Amzallag, md of Banque Nationale de Paris, has become chairman of the FOREIGN BANKS AND SECURITIES HOUSES ASSOCIATION.

■ Robert Southgate, deputy md of Central Broadcasting, has been appointed a member of the ARTS COUNCIL OF GREAT BRITAIN.

■ Melvin Coleman, formerly director of finance at the EITB, has been appointed director of resources at the PERFORMING RIGHT SOCIETY.

■ Neil Cowan (below) has been appointed president of the INSTITUTE OF INTERNAL AUDITORS UK.



■ Victor Watson, chairman of John Waddington, has been appointed president of the BRITISH PRINTING INDUSTRIES FEDERATION.

■ Lord Belstead, former government minister, has been appointed chairman of the PAROLE BOARD.

■ John Topping becomes chief executive of the BRITISH ASSOCIATION OF LANDSCAPE INDUSTRIES next month when Bill Hickey takes on an advisory role.

■ Jonathan Scott, a director of BZW, has been re-appointed as chairman of the reviewing committee on the EXPORT OF WORKS OF ART.

■ Norman Nicholson is to be chairman of the AIR TRANSPORT USERS COMMITTEE; he succeeds John Cox in January.

■ John Elbourne, 47, the former group director of Legal & General who defected to TSB just over a year ago, has been made a member of the TSB group board. Elbourne is the chief operating officer of TSB's retail banking and insurance business and was made branch network director earlier this year. The appointment is the first shakeup at the top inside TSB in the wake of the appointment of Peter Ellwood as group chief executive. The changes are expected to knit TSB's Birmingham-based retail banking operations more closely to group headquarters in the City of London.

Hugh Freedberg, chief executive of Hill Samuel, has now been appointed TSB group deputy chief executive.

What is the FT getting up to this Weekend?

Much the same as you, no doubt.

You must be wondering how the French will vote on Maastricht – will it be "oui" or a resounding "non"? Finance and the Family looks at the consequences for savers and investors.

The balance of nature – is it in safe hands with the environmentalists, the conservationists, the wild life managers and the greens (of whatever shade)?

Michael Wigan looks at "bad guys" like Scotland's red deer and sheep, until recently public enemy No. 1 of heather moorland, and, of course, the "good guys" charismatic species like the whale, the seal and the puffin . . . but what about us guys? Aren't we finding it difficult playing God with nature.

Following our launch last week of the Weekend Fashion Page, this week it's the turn of our music critics. On the first of a regular review page they go "on record" with their reviews of the week's classical releases and the Mercury Music Prize. This year's winners are – who else? – Primal Scream.

Dan Walker introduces us to his friends – the immaculate Parisians. For the men it's style taken seriously but "a la carte", whereas there is definitely a "uniform" for women, albeit by Chanel.

Phillippa Davenport looks forward to her first Michaelmas goose. The date of Michaelmas is, it seems, a moveable feast and so are Philippa's plans for serving it. Gooseneck pudding perhaps? A sloe and apple jelly? Or a compote of prunes? It all sounds so good, Michaelmas can't come too soon.

We join *Christopher McCooey* in the footsteps of the father of Japanese mountaineering, the one-eyed Rev. Walter Weston. We're snapped by snap-happy Japanese saying "Cheezu", share a bath

with Taniguchi-san in "hermit's hot water" and meet a "salary man" in a snow field.

Nicholas Woodsworth bumps into some boisterous octogenarian Georgians bent on the serious business of commiserating. So what are they like when they're celebrating? He finds out amidst the suckling pig, wild mushrooms fried with mountain herbs, hazelnut stuffings, delicate spicings, fiery sauces, cooling yoghurts, honey-dripping pastries and the endless pourings of vodka . . . is this the secret of Georgian longevity? Find out tomorrow.

Pick up your copy of Weekend FT this Saturday and join us.

Weekend FT

A land where history is controversial

Patricia Morison hits Northern Ireland's museum trail

TO describe Northern Ireland as off the normal beat for arts writers is perhaps an understatement. However, an unusual promotion, a brochure entitled *Museums of Ulster, The European Connection*, sponsored by the European Arts Festival hopes to change that.

Nine museums in Ulster have collaborated in the making of the brochure which is funded by an EEC grant of £10,000. Their aim is to put their permanent collections on the tourist map. From any other region of the UK, such a modest initiative would appear worthy but dull, but because this is Northern Ireland, matters looked more promising.

For a start, given the perception of the province in the wider world, an invitation to "take a voyage through the history of Ireland and Europe" appears more in the nature of a challenge. And then there are the interesting questions such a voyage raises. How is history to be packaged for presentation amid a population bitterly divided by memories, grievances, prejudices, and bloodshed?

The brochure picks up the European theme of the Festival by highlighting exhibits which illustrate Ireland's cultural links to continental Europe.

A visit to Derry brought education in treacherous place-names. The "London-" on the roadsigns along the road to the city has been painted out, and the brochure referred to the new Tower Museum at Derry in County Londonderry. So in at least one official circle, it looks as though the use of Londonderry for the city has been dropped, in deference to the nationalist view that it is an indefensible, unhistorical Anglicisation.

The Tower Museum, opening at the end of this month, surveys the history of Derry, one of the oldest cities in Ulster. It dates back to the 6th Century in the eyes of those who see its founder as St Columba. Derry's more recent history that has blackened its reputation. In the Troubles in the 1970s, one-third of Derry's city-centre was destroyed. However, since the mid-1980s there has been much rebuilding and a determined attempt, using funds from the EEC, to promote the city's heritage to attract tourism.

The plan deserves to work. Except for its bad days, mercifully rare in the past four years, Derry appears as a charming and congenial place. The old city, up high overlooking the valley of the River Foyle, has streets of well-restored Georgian town-houses, the only intact city-walls in Ireland, and an exuberant arts scene which leaves Belfast looking decidedly stodgy.

Brian Lacey, director of Derry's museums, sees his task as made easier for having one world-famous event to promote: the Siege of Derry of 1689. At the siege, King James II and his Catholic army (including troops sent by Louis XIV) were frustrated by the dogged endurance of the Protestant defenders of Derry, who for 105 days held the city for William III.

It needs tact and a certain courage to make a museum display out of an event which rates with the Battle of the Boyne as sacred moments in the annals of Protestant Ulster. Lacey himself is from the Republic, something not at all uncommon in the museum world, where cross-border links are getting closer. The majority of the inhabitants in Derry is Catholic and nationalist, so Lacey had no idea what to expect when he mounted an exhibition in 1989 devoted to the Siege.

On the day of the opening, the Provisional IRA blew up a pub by the museum carpark. It was a warning: this could have been your museum. Since then, Lacey's feeling is that the atmosphere in Derry has improved considerably. The Tower Museum itself is a curious structure, built in the 1980s as a symbol of Derry's renewal.

The finale remains to be settled. It may come up as far as the late 1970s, and include rubber bullets, posters and letters written on lavatory-paper by Bobby Sands, the republican hunger-striker who died in 1981, and smuggled out of prison. But a video made about the Troubles has already fallen foul of the politicians. Some of them urge that the subject be dropped altogether, a solution Lacey reprehends as "dishonest and lopsided".

Even without it, local sensitivities could always be inflamed, very probably by the effigy of Lundy. A "lundy" in Northern Ireland parlance is a traitor. According to the Protestant version, Robert Lundy was the governor who during the siege treacherously betrayed King William's trust by shinning down a pear-tree which grew beside the city wall and disappearing.

Until recently, Lundy was a – literally – explosive symbol of Protestant supremacy, because every December the Apprentice Boys used to stuff his effigy with fireworks and hang it from the Walker Pillar.

Down in the mean, terraced streets of the Bogside, the Catholic population returned the fire – metaphorically on this occasion – by setting their chimneys alight. Nine years ago, the Provos blew up the Walker Pillar, so Lundy now meets his annual fate on the steps of the court-house.

At the charming Ulster Folk and Transport Museum at Holywell, County Down, pains are being taken to get the denominational mix correct in reconstructing historic churches in the expanding "village" which is the centrepoint of the museum.

Museum staff talk as if simply to get Catholics and Protestants under the same roof to enjoy the same experiences, marks a victory – whether it be jewellery from the famous Armada wrecks at the Ulster Museum in Belfast or wildlife videos at the recently refurbished Fermanagh County Museum at Enniskillen.

On this simplest of criteria, museums hardly need to tackle difficult subjects. Their justificiation for seeking larger grants from local authorities, central government, and the EEC is their contribution to "Education for Mutual Understanding", or Emu.

At Down County Museum in Downpatrick, staff regularly teach children from Protestant and Catholic schools, folk-traditions, such as the rituals for St Brigid's Day. On March 17, St Patrick's Day, a strange medley of events, from pipe bands to tractor clubs, bring over 3,000 visitors to the museum, a stone's thrown from the legendary burial place of the saint.

Director Brian Turner demurred at my suggestion that he was bringing the two communities together. For him there is just the one community, and no reason whatsoever why it should not take pride in the mysterious, but mercifully ecumenical, figure of St Patrick, "one of the few things in Northern Ireland which is a world attraction."

In all these museums, one senses a particularly strong emphasis on reaching out to children. In 1991, a survey conducted in Northern Ireland on public attitudes towards museums showed that four in 10 adults said they never went and "most of the remainder" visited only once every two or three years. Protestants went more than Catholics.

However, the survey also showed that Protestants and Catholics alike see museums as a vital resource for preserving the province's history and cultural traditions, and that they consider museums give an unbiased presentation of history. In terms of Emu, then, school outings seem to be the crux of the relationship between museums and their public. On the other hand, time alone will tell whether taking children to museums has any lasting impact on the social stereotypes, incomprehension, and hatred.

Meanwhile, at the Ulster Museum in Belfast, an astoundingly profitable exhibition bought in from the US has pulled in more than 150,000 visitors this summer, mostly children, to gawp at lunging, roaring dinosaurs.

Director John Nolan's gamble has paid off and this expensive show have wiped out seven years of accumulated debt. He answers critics by pointing out that this blockbuster also plays its part in contributing to Emu by attracting so many people, often first-time callers, to the museum.

The problem is the pressure on space which means masterpieces of the museum's fine art collection, such as Turner's *The Origin of Christianity*, are put in store. It happens quite often, and there is pressure for a separate art gallery to be built in Belfast. This month, the Museum offers compensation with a large exhibition of its own drawings and watercolours, previously seen in the US, and Sir James Lavery's bequest of his paintings goes on show in November.

But for the genuinely curious visitor from abroad, even dinosaurs make their point about life in Northern Ireland. On a damp August morning, there was not a soldier to be seen in the streets as queues waited for the museum to open. Inside, the dinosaurs' lair was a pandemonium of children screaming with delight.

Every day people had been asking me, "So how do you find the place?". Right then, but not for the only time, my answer would have been that Northern Ireland can seem just like anywhere else.

Museums of Ulster, The European Connection available from the Northern Ireland Tourist Board (071) 493 0601

An Ulster harbour scene at the turn of the century: Killyleagh, Co Down (photograph in the Down County Museum)

Alastair Muir

Adrian Noble's production of Sophocles' Theban plays in the new version by Timberlake Wertenbaker, has moved from The Swan Theatre, Stratford-upon-Avon to the Barbican, London, where it opened last night. Gerard Murphy plays Oedipus, Joanne Pearce, Antigone, and John Shrapnel, Creon

British Youth Opera

Così fan tutte

Richard Fairman

WITH a fund-raising gala at Covent Garden and an Arts Council Grant to its name, British Youth Opera is making notable headway in funding a fledgling opera company. Its aim is to give singers not far up the professional ladder an opportunity to climb a few rungs further in fully-staged productions.

This is a trickier proposition than it may seem. The music colleges already put on opera productions open to the public. Protected from the need to fill large theatres on a commercial basis, they are able to give often outstanding performances of rarely-seen operas, as the Royal Northern College did recently with Vaughan Williams's *The Pilgrim's Progress* and the Guildhall School of Music with Prokofiev's *The Duenna*.

British Youth Opera's two new productions are not on that level. In order to lure an audience to Sadler's Wells, the company has chosen Mozart's *Cosi fan tutte* and Bizet's *Carmen*.

The singers include names already noted at the music colleges, but asked to perform in popular repertory works such as these, they face difficult challenges, which show what a gulf remains before students reach professional standards.

I saw the production of *Cosi fan tutte* on Wednesday. The ambitions of the company's undertaking, as in everything it does, were laudable: the version of the score was more complete than usual and an experienced production team had been assembled, an essential feature if the young singers are to gain the maximum benefit from participation.

Unfortunately, Jamie Hayes's setting of the opera as *Cosi-on-Sea*, taking the sisters on holiday to a down-market British seaside resort at the height of what seemed to be Falklands fever, failed to make anything of its updating of the story. The English translation, credited as the old Ruth and Thomas Martin version but horribly tarted up, had every cliché in the book.

The strength of the evening lay entirely with the young performers. Susannah Glanville was a radiant Fiordiligi and Nathan Berg a vocally resonant Guglielmo, both singers of notable promise.

Emma Selway's unexaggerated Dorabella and Andrew Burden's sure Ferrando made an able second couple. Liza Pulman and John Neale judged well the character roles of Despina and Don Alfonso. The talent is there and British Youth Opera has assembled some of the best.

Sadler's Wells season lasts until Saturday. Box Office (071) 278 8916

While the Sun Shines

THERE is no recession in Birmingham, or at least not if you judge by the splendidly refurbished Old Rep Theatre. True, Wednesday was a gala evening, yet here was an occasion where one felt embarrassed not to be in a dinner jacket. Ladies wore diamonds, officers wore uniform. By contrast, London looks drab.

The play was appropriate, too: a revival of Terence Rattigan's *While The Sun Shines*. The piece ran for over 1,000 performances in the West End starting on Christmas Eve 1943, and starring such names as Michael Wilding, Ronald Squire and Brenda Bruce. It has not been much seen since.

Rattigan called it a light comedy, which is what it is, bordering on farce. It lacks the pathos and excitement of another of his wartime plays, *Flare Path*, which was revived at the *King's Head in Islington* a couple of years ago. It now seems over-long and a trifle slight, but it is wonderful to have the chance to catch up with it.

Practically all the characters are titled, whether by hereditary peerage, military rank or both, for this is the war where the aristocracy does its bit but is not always promoted. The Earl of Harpenden cannot rise above the rank of a lowly naval rating because he cannot satisfy the Admiralty that he knows how many tuppenny-ha'penny stamps can be bought for half-a-crown.

Still, he lives in the Albany off Piccadilly, where his family has had chambers for over a century, and has a man-servant loosely modelled on Jeeves.

There is an American airman and a French lieutenant, both of whom fall for the same girl, daughter of the Duke of Ayr and Stirling, who is already betrothed to Harpenden. Then there is Mabel Crum, the woman who is universally generous with her favours and remains a thoroughly good sort throughout.

The mood is nostalgic. "Run Rabbit Run" and "It's a Long Way to Tipperary" are played on the piano before the start and the audience wants to sing along. The theatre is dotted with ARP wardens warning what to do if there is an air raid. Wartime posters are spread around the foyer.

In the play itself, the main action is the competition for the girl, Lady Elizabeth Randall, by the American and the Frenchman. Harpenden, as a true reserved Englishman, does not fight as hard as he might. Anyway, there is always Mabel Crum in the background to fall back on. Those were the days when £2m, Harpenden's income from his London properties, translated into \$8m. On his country estates, of course, he always made a loss.

The humour is pretty straightforward: jokes about the American being astonished to meet an English earl and the socialist Frenchman believing the English aristocracy is doomed.

Harpenden curiously takes The New Statesman and expects to lose his wealth to "Mr Chancellor" when the war is over. It is all very good-natured. As the title suggests, there might be worse things to happen to English life than war.

The pleasure of such an innocent play is in the performances and the craftmanship. Neal Foster, who has founded the new Birmingham Stage Company, plays Harpenden with much more versatility than one has any right to expect from a straight male lead. Lucy Scott as Lady Elizabeth looks as attractive as she possibly can be in military uniform.

Tastes change. In 1992 I think it might have been funnier if the Duke of Ayr and Stirling (Ernest Clark) had not spoken French in such a parody of an English accent and if the French lieutenant (Michael Goron) had been allowed more natural Gallic charm and looked less like a frog. Yet the Birmingham audience loved it just the way it was.

Direction is by Granville Saxton and the new company will play at the Old Rep for 20 weeks a year. If the city can support it, this is a marvellous development.

Malcolm Rutherford

At the Old Rep, Birmingham, (021) 236 2392, until October 3

INTERNATIONAL ARTS GUIDE

After a long summer break, the performing arts in Paris finally come back to life next week with the start of the wide-ranging *Festival d'Automne*. The opening production is Chekhov's Cherry Orchard, directed by Stéphane Braunschweig at the Théâtre de Gennevilliers (Sep 18-Oct 18). Canadian director Robert Lepage is represented by a string of productions in October and November, including three Shakespeare plays at the Centre Pompidou (Oct 15-26). At Bobigny, André Engel directs Tales from the Vienna Woods, a 1931 play by German dramatist Odon von Horvath (Sep 29-Nov 22). The dance programme includes visits from Spanish contemporary dance group IO & IO Danza (Nov 5-8), Merce Cunningham Dance Company (Nov 17-21) and the Centre Choreographique National de Montpellier with works by Trisha Brown and Dominique Bagouet (Nov 26-28).

Robert Wilson fans will be rewarded by two English-language productions – the Gertrude Stein theatre work Doctor Faustus Lights the Lights (Oct 22-31), and the 1976 Philip Glass music-theatre marathon Einstein on the Beach, which winds up a world tour at Bobigny (Dec 11-21).

The music programme focuses on contemporary composers: Emmanuel Nunes, Heinz Holliger, Iannis Xenakis and Luciano Berio each have a programme devoted to their music. Other events include a show by Mozambique zylophone group Chopi Timbila (Oct 7-11) and a Meredith Monk programme (Nov 10-15). The festival runs till the end of December. Full details from Festival d'Automne a Paris, 156 rue de Rivoli, 75001 Paris, tel 4296 1227).

Admirers of reclusive piano legend Arturo Benedetti Michelangeli will be pleased to know that he has been lured back into the concert hall for two evenings with the Munich Philharmonic later this month.

The orchestra's 80-year old music director Sergiu Celibidache is one of a handful of conductors Michelangeli is prepared to work with: they join forces in Schumann's Piano Concerto on September 25 and 26 at Gasteig (48098 614).

EXHIBITIONS GUIDE

AMSTERDAM
Stedelijk Museum Peter Halley: recent work. Ends Nov 1. Daily
Van Gogh Museum Felix Vallotton (1865-1925): retrospective of the Swiss Post-Impressionist painter who joined the Nabis. Ends Nov 1. Daily
Rijksmuseum Drawings from the Age of Bruegel: the Frits Lugt Collection. Ends Nov 8. Closed Mon
COLOGNE
Wallraf-Richartz-Museum From Brueghel to Rubens: the Golden Century of Flemish Painting. An exhibition of 150 paintings, 50 drawings and 120 graphic works from the years 1550 to 1650, by Van Dyck, Jordaens, Rubens and many others. Ends Nov 22
DRESDEN
Albertinum Fritz Winter (1905-76): paintings and drawings by a member of the founder generation of the Bauhaus, whose abstract work led to a Nazi ban on his paintings in 1937. Ends Nov 1. Also August Kotzsch (1836-1910): a master of photography in Dresden. A collection of 80 photos capturing late 19th century life around Dresden. Ends Nov 1. Closed Mon
Hygiene-Museum *The Elbe – A Course of Life*: 800 paintings, objects and documents offering a pictorial history of the river and its surroundings from its mountain source in central Europe to its mouth at the North Sea near Hamburg. Ends Sep 20
ESSEN
Folkwang-Museum Edward Hopper: paintings and drawings by the early 20th century realist painter of urban America, set alongside 100 photographs drawing inspiration from the same source. Ends Sep 27. Closed Mon
Villa Hügel London: World City 1800-1840. More than 700 objects reflecting London's wealth, dynamism and commercial strength in the era after the Napoleonic wars. Ends Nov 7. Daily
GENEVA
Musée Barbier-Mueller Art of Benin: 20 pieces of bronze and ivory. Ends Oct 15. Also Femme Nue, Femme Noire: a selection of African sculptures of women. Ends Oct 13. Daily (Rue Jean-Calvin 10, tel 312 0270)
Musée d'art et d'histoire Drawings by Liotard (1702-89). Ends Sep 20. Closed Mon
Cabinet des Estampes Dali – true or fake. Ends Oct 4. Closed Mon
Petit Palais Louis Valtat and the Fauves. Ends Oct 30. Closed Mon
LONDON
Courtauld Institute Kokoschka: works on paper from the Princes Gate Collection, including *drawings and watercolours*, illustrated books and selections from portfolios of his drypoints and lithographs, ranging from an illustrated fairy tale of 1908 to the prints inspired by Greece and Apulia in the 1960s. Ends Oct 28. Daily
Institute of Contemporary Arts Jean Nouvel: a series of multi-media installations illustrate the work of the French post-modern architect. Ends Oct 25. Daily
Barbican John Heartfield: first major retrospective in Britain of the father of photomontage. Ends Oct 18. Daily
Tate Gallery The Painted Nude. Ends Dec 27. Also George Baselitz (b1938): prints 1964-90. Ends Nov 1. Daily
Accademia Italiana FIAR International Prize Exhibition: paintings by young artists, including the British first prizewinner Calum Innes. Ends Sep 20. Daily
National Gallery Manet: The Execution of Maximilian. Ends Sep 27. Daily
Imperial War Museum Wyndham Lewis (1884-1957): Art and War. Ends Oct 11
LYON
Musée des Beaux-Arts Picasso and the Three-Cornered Hat: the original designs for the decor and costumes of Manuel de Falla's ballet. Closed Mon and Tues
MADRID
Centro de Arte Reina Sofia An exhibition of 400 of the museum's most outstanding paintings, including Guernica. *Closed Tues*
NEW YORK
Metropolitan Museum of Art René Magritte: 152 works by the Belgian surrealist, including paintings, drawings, sculpture and painted bottles. Ends Nov 22. Also Art of Islamic Spain. Ends Sep 27. Closed Mon
Whitney Museum of American Art Figurative Works from the Permanent Collection: a survey of the various approaches 20th century American figurative artists have taken from the turn-of-the-century Impressionist scenes of Central Park by Maurice Prendergast to John Currin's Skinny Woman of 1992. Ends Nov 29. Also Homecoming: William H Johnson and Afro-America 1938-46. Ends Oct 25. Closed Mon
PARIS
Espace Electra The Meeting of Two Worlds through the Eyes of Haitian Painters: with exhuberance of colours and charm of naivety, Haitian artists tell the tragic story of their island. Ends Oct 17. Closed Mon (6 rue Recamier)
Parc de Bagatelle Henry Moore: 27 large bronze sculptures. Ends Oct 4 (Bois de Bologne)
Centre Georges Pompidou Manifeste: 7000 square metres given over to a multi-faceted exhibition covering the past 30 years of creativity in visual arts, video, cinema, architecture and design. Ends Nov 9. Closed Tues
STUTTGART
Galerie der Stadt Behnisch and Partners: Buildings 1952-92. A retrospective of the major *projects undertaken* by the German architect Günter Behnisch, including the Munich Olympic Stadium, the federal parliament building in Bonn, the German Postal Museum in Frankfurt and other examples which illustrate his mastery of modern practicality. Ends Nov 8. Closed Mon
TILBURG
De Pont De Opening: inaugural exhibition of the De Pont Foundation for Contemporary Art. Based in a former wool spinning mill at Wilhelminapark 1, close to the city centre, the foundation was set up in 1988 as part of the legacy of J H de Pont, a Tilburg lawyer who thrived as an entrepreneur before dying in 1987.

The opening exhibition includes 100 works by 20 artists from the Netherlands and abroad, several of whom have conceived large-scale installations specially intended for particular parts of the building. Among artists represented are Richard Long, Rosemarie Trockel, Anish Kapoor, Robert Ryman and Richard Serra. Ends Jan 31. Closed Mon
VIENNA
Albertina The English School: 138 drawings and watercolours by British artists, selected from the Albertina's collection. The exhibition covers the past three centuries, ranging from late 18th century painters such as Richard Cosway, Benjamin West and Francis Wheatley to Graham Sutherland and Henry Moore. Ends Nov 8. Daily
ZURICH
Kunsthaus Gustav Klimt (1862-1918): a major retrospective of the Austrian Jugenstil designer and decorator, with 50 paintings and 130 drawings. Ends Dec 13. Also Anselm Stalder (b1956): exhibition of paintings and sculptures by the Basle artist. Ends Sep 27. Closed Mon

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday September 11 1992

Hard choices for Germany

CHANCELLOR Helmut Kohl did not promise that German unity would be a bed of roses. Two years ago, he warned that the eastern and western halves of the country faced a "fatal, if not catastrophic" risk of being divided by the economic pressures of unity. The prescience of that warning now looks remarkable – as does the chancellor's insouciance in not taking better heed of it. Mr Kohl's greatest mistake was in telling Germans in the east that the economic benefits of unification would become apparent relatively quickly, and in promising Germans in the west that the benefits would be generated without additional taxes. Neither forecast proved correct.

To make unification a success, Germany will need to maintain public sector transfers from west to east of at least DM100bn (£35.8bn) a year until the end of the decade. The monetary strains caused by high German public sector deficits are exporting deflation throughout Europe, and are now raising the risk of recession at home too. To prevent further damage, Mr Kohl has no choice but to organise a sounder method for financing recovery. The "solidarity pact" he is trying to negotiate with industry, trade unions and the opposition Social Democrats is a worthwhile effort to spread the burdens. All participants, however, face some hard choices. This time, they must not be shirked.

First, significant reductions in the central government budget deficit during the next few years will not be possible without specific measures to raise extra revenues. Mr Theo Waigel, the finance minister, is relying above all on spending curbs to reduce the deficit by 1995. But, in a bleaker economic climate, the assumptions underpinning these plans could soon look unrealistic.

Mr Waigel may be able to avoid an across-the-board tax increase of the sort temporarily put into effect in 1991-92. But he urgently needs to take charge of a cacophonous debate about alternative financing sources. A plan for a compulsory bond to tap the better-off, launched by the subtle mind of Mr Wolfgang Schäuble, the conservative parliamentary floor leader, has been brushed aside for the moment, but Mr Waigel may have to give it serious thought.

Second, wage restraint in both east and west Germany is now high on the agenda. Excessive wage increases in east Germany have been a prime factor spurring high unemployment there. Trade union agreement to shelve the accord to bring pay for east German metalworkers up to west German levels by 1994 should be an important part of any "solidarity pact". If the price for this agreement is higher taxes in the west, then this price is worth paying.

Third, Mr Waigel must clear up the opacity caused by multiple "shadow budgets" for unity financing established during the last two years. Worries about fast rising public indebtedness will not be assuaged as long as doubts persist over the size of the debts being created in the east which will eventually be borne by central government.

In trying to form a cohesive policy to master Germany's challenges, Mr Kohl cannot avoid some degree of understanding with the Social Democrats. Without this, much-needed restructuring of the financial system for distributing resources around the 16 German länder will be impossible. An SPD imprimatur will also be necessary for any deal with the unions.

The Social Democrats, resentful at Mr Kohl's high-handedness towards them during the unity negotiations two years ago, are in no mood to bargain away cheaply support for an unpopular government. Mr Kohl refuses to have any truck with the idea of a Grand Coalition with the SPD, and the Social Democrats themselves are still in the preliminary phase of weighing up the benefits and disadvantages. Yet if Germany's difficulties persist, power-sharing between the two main parties, at some stage before the 1994 general election, may prove to be the only way to forge a national consensus.

Milk shaken

ONE OF the most humdrum British household commodities – milk – is about to undergo a shake-up with proposals to reform the Milk Marketing Board for England and Wales. But the milk industry is having difficulty agreeing a new structure to satisfy itself, let alone consumers.

The MMB has its origins in the early 1930s, when it rescued dairy farmers from the depression by giving them monopoly power over milk supplies. Since then the board and the Dairy Trade Federation, representing the dairies and processors, have enjoyed a cartel, which has survived several shocks, including the UK's entry into the European Community.

In 1984 the introduction of EC milk quotas halted the MMB's production expansion. In 1986 a government-commissioned report criticised aspects of Dairy Crest, the MMB's wholly owned subsidiary which has 25 per cent of the UK market for manufactured dairy products. The report was prompted by concern among other dairy companies that the MMB had become not only a monopoly supplier, but also the biggest processor of milk.

It was clear that reform was needed. But when the MMB was invited by the government to come up with reform plans in 1990, its only proposal was for the MMB to transform itself into a voluntary co-operative. This was unacceptable both to the EC Commission and the DTF, which criticised it for replacing a statutory monopoly with a voluntary one.

Some urgency was added by a challenge to the monopoly from the EC Commission over sales of low-fat milk, which now account for 40 per cent of liquid milk sales. The EC gave a "reasoned opinion" that the MMB did not hold the statutory right to buy and sell low-fat milk. Mr John Gummer, agriculture minister, rejected the opinion, but used his decision to put further pressure on the DTF and MMB to agree on reforms.

Last month the MMB published another proposal to turn itself into a single voluntary co-operative, this time promising to hive off Dairy Crest. The DTF is still not happy with the plan. Last week it highlighted some of the more obvious concerns, not least that the co-operative would be incompatible with the free-market policies of the present government, since it expects to attract 80 per cent of the country's 30,000 dairy farmers.

Aside from these worrisome aspects, the MMB has given no details of the type of contracts it expects the co-operative to have with dairy farmers. Its attempts to reform Britain's arcane milk pricing system also collapsed last month, leaving no obvious alternative. Behind these pricing problems is the fact that the milk market is not free because supplies are restricted by the EC's quota system. But this distorting system of production control also reduces the importance of eliminating the MMB monopoly, since greater competition in the market for milk cannot affect the quantities supplied.

The only part of the MMB proposal welcomed by the DTF is the spinning off of Dairy Crest. But again, crucial details are lacking, such as the basis on which shares in the company will be allocated to farmers who supplied the MMB in the past.

The agriculture ministry has said it will make no comment until after September 18, the deadline for responses to the MMB's proposals. At the moment a bill is supposed to come before Parliament this autumn. In theory it could be given the Royal Assent next June, leading to the end of the MMB monopoly in mid-1994. But with the present deadlock, this looks a wildly unrealistic timetable. It is time for the ministry to take a firmer lead. If it has insufficient ideas of its own, perhaps the Monopolies and Mergers Commission should be asked to lend a hand.

Tired of life

THE BRITISH Tourist Authority no doubt expected its campaign to promote London as a friendly and affordable city to be greeted with scepticism. So accustomed have Londoners become to running their city down that they barely notice they are doing it. Mr William Davis, the BTA chairman, yesterday declared London to be a great capital, apparently forgetting his own annual report in which he trotted out the usual complaints about a litter-strewn, tired and tarnished city.

It is this view of London which is tired and tarnished, but if the BTA cannot point that out, who can? Foreigners, perhaps. A poll published by Business Traveller magazine this week named London as the world's best city in which to do business. Earlier this summer, Le Monde's UK correspondent wrote approvingly of London's green spaces, gardens and village-like suburbs.

Londoners tend to reward such praise with incredulity. Perhaps the BTA can find a way of turning Londoners' unique self-laceration into a tourist attraction.

How dreams turned to dust

Two of Scandinavia's insurers have fallen victim to the effects of deregulation, write Richard Lapper and Karen Fossli

"Life is full of surprises" has proved a grimly prophetic advertising slogan for Uni Storebrand, Norway's biggest insurer, which last month sought protection from its creditors.

Scandinavian financiers and regulators have been shocked by the deterioration in the fortunes of two of their biggest insurance companies, the latest victims of turmoil in the financial markets.

The upheaval is in part a result of the forces unleashed when the markets were deregulated in the 1980s. Insurers, like the banks which experienced difficulties last year, have struggled to come to terms with deregulation, lost money on credit insurance and suffered from the general fall in confidence this year in Scandinavian property and equities.

Their problems are vividly illustrated by the story of two men: Mr Jan Erik Langangen, the ousted head of Uni Storebrand, and Mr Per Villum Hansen, his counterpart at Denmark's Hafnia, who dreamed of creating financial conglomerates big enough to withstand competition from bigger rivals as Europe's internal trade barriers came down.

Uni Storebrand and Hafnia have been pushed to the brink of collapse by the ill-fated efforts of their leaders to merge or take over two companies, Skandia of Sweden and Baltica of Denmark.

During 1990 Mr Hansen built up a DKr4.5bn (£418m) stake in Baltica, controlling more than 34 per cent of Denmark's biggest insurance company. In the same year Mr Langangen merged Uni and Storebrand, creating Norway's biggest insurance company.

Last autumn he persuaded Mr Hansen to join a scheme to take over control of Skandia, and by November 1991 they had spent more than SKr7bn (£688m) for a combined stake of nearly 43 per cent of the Stockholm-based insurer.

But neither Baltica nor Skandia was keen on linking with smaller rivals. The resulting market uncertainty led to sharp falls in Skandia and Baltica's share prices, leaving Uni Storebrand and Hafnia nursing significant investment losses. Last month Hafnia joined Uni Storebrand in seeking protection from its creditors.

"In the eyes of the world there must be something seriously wrong," says a senior banker in Copenhagen. "But the insurance business is not a catastrophe. Speculation is the problem. Uni and Hafnia have been destroyed by tycoons."

Mr Per Villum Hansen, the 46-year-old chief executive of Hafnia who resigned in April, fits the tycoon bill most neatly. He is described by industry colleagues as a "natural gambler". A racehorse owner and a regular at the Sunday meetings at the Klampenborg racetrack near Copenhagen, Mr Hansen wanted to use the financial muscle of Hafnia to transform Danish corporate life.

The son of a provincial blacksmith, he joined Hafnia's finance department in 1976 after a spell in the finance department of AP Moeller, the blue chip Danish shipping and energy company. After he took over as chief executive in 1980, Hafnia stepped up its investments in equities. In Scandinavia's bull markets of the 1980s the company's assets grew strongly, from DKr35.8bn to DKr58.2bn between 1987 and 1990.

Mr Hansen also spearheaded a diversification at the traditionally conservative company, establishing a real estate operation and a merchant bank in the late 1980s, which worked on two successful ventures – M D Foods, a dairy company, and Tulip, a meat producer – to develop part of the country's agribusiness industry. When Mr Hansen turned his attention to Baltica, he had become a powerful figure in Denmark's financial scene.

For the company's biggest shareholders, Mr Hansen could do no wrong. "The board had complete confidence in this guy. He was admired like a small god," says one insurance industry observer.

By contrast Mr Langangen, the 42-year-old boss of Uni Storebrand until July, is regarded as a visionary whose aims reflect his links with the public sector and government. Mr Langangen honed his management style at Statoil, the country's publicly owned oil company, which has enjoyed almost limitless resources to finance its expansion.

There, he forged close links with government, especially with Labour party prime minister Gro Harlem Bruntland, to promote the merger of Storebrand – a company which he joined in 1983 – with Uni. An expert on Norwegian classical literature who frequently quotes its most famous playwright, Henrik Ibsen, Mr Langangen persuaded the government that Uni Storebrand's expansion plans were in the interests of the Norwegian economy and could help the country redress Sweden's traditional domination of Scandinavia.

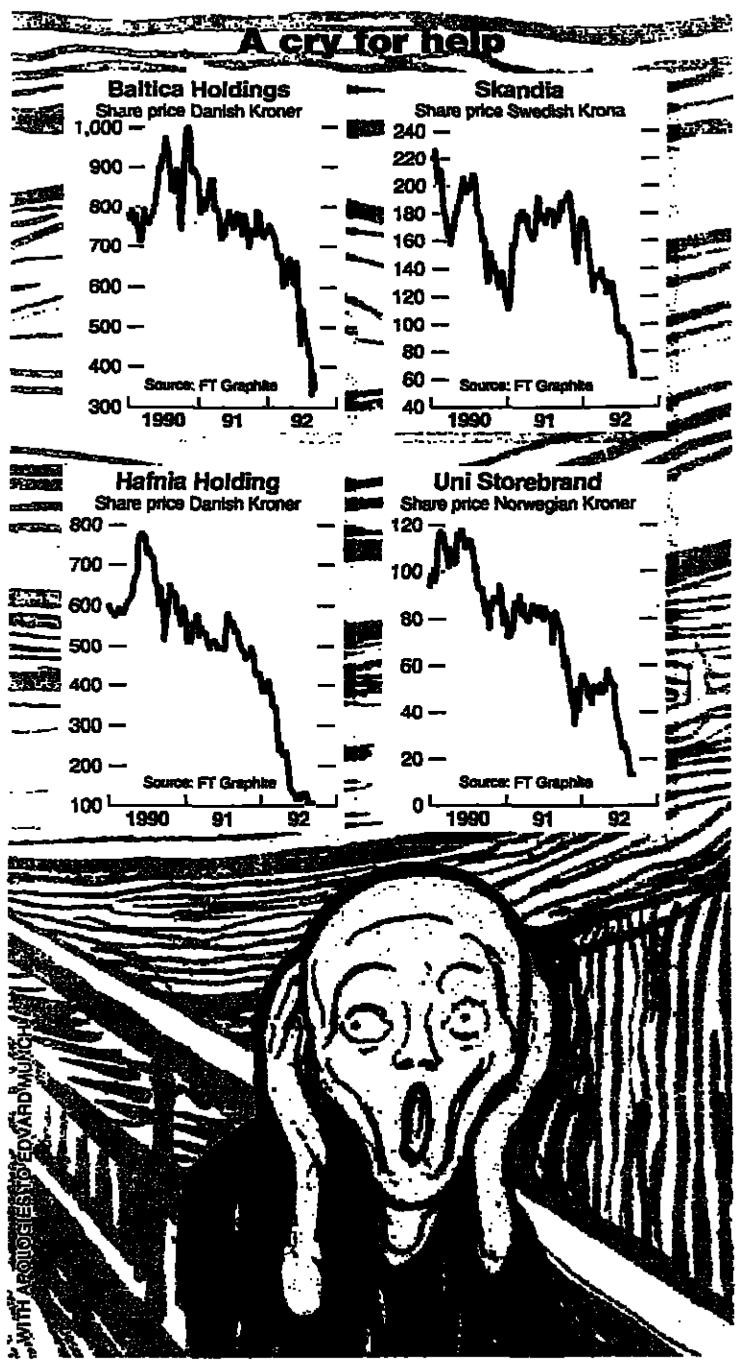
Despite their differences, the two men decided to co-operate in their joint bid to take over Skandia. All the expansion plans – including Uni's merger with Storebrand and Hafnia's assault on Baltica – were based on the idea that big was not only beautiful but necessary for survival in post-1992 Europe.

"If Hafnia hadn't done anything we would simply have been run over by the European competition," explains a colleague of Mr Hansen at Hafnia.

The aims of the two were summed up in a simple slogan: "If you are strong you can choose. If you are weak you will be chosen."

The Skandia deal, however, was an unprecedented gamble. First, by acquiring such a big combined stake in Skandia, both Uni Storebrand and Hafnia became increasingly dependent on the region's insurance market, both as insurance companies and investors. At the end of 1991 Hafnia's combined investments in Skandia and Baltica of more than DKr7bn were almost double its shareholders' equity of DKr3.9bn.

In addition, Skandia's unusual shareholding structure – in which voting rights are restricted – made it a high-risk target. The provision limiting the maximum votes of any shareholder to 30 meant, according to one analyst, that even after



acquiring more than 40 per cent of the shares, Uni and Hafnia had "no more votes than the Skandia typing pool".

Moreover, neither Mr Hansen nor Mr Langangen discussed his ideas with Mr Bjorn Wolrath, Skandia's chief executive. Mr Wolrath says there was no contact with Uni Storebrand before September 1991 when Mr Langangen told him by telephone that he had acquired 11.4 per cent of the company's share capital.

In October Mr Wolrath went to a meeting of Skandia's "major shareholders" in Oslo. But in what was evidently a bad-tempered meeting, little progress was made. "Nothing was presented on the plans and ideas of Uni Storebrand. It made the meeting completely useless," says Mr Wolrath.

"Mr Langangen was extremely pushy. He had all the answers. He had a study drawn up by management consultants and said we could just get on and implement it."

Three weeks later, in November last year, Uni Storebrand and Hafnia completed their purchase of 43 per cent of Skandia's shares and held a press conference to announce the formation of what they termed "Nordic Co-operation".

Mr Langangen and Mr Hansen calculated that Mr Wolrath would, at least, cede a minimum of three seats on Skandia's 14-man board to the new investors. But that proved a disastrous mistake. Even though relations thawed when talks between the three companies continued in December, the disagreement and confusion served to frighten off investors.

By the time the three companies came close to agreeing a joint strategy in April, based on the complete integration of all three companies' Nordic operations, the markets had already baulked at the notion of Scandinavian insurance co-operation.

Uni Storebrand and Hafnia had acquired their Skandia shares at an average price of more than SKr200. By April this year the price had sunk to SKr123, leaving both Uni Storebrand and Hafnia with investment losses totalling almost SKr3bn.

Disgruntled international investors were in no mood to provide the fresh capital necessary to push through a merger, however. Mr Jonathan Walker of Baring Securities says: "Our clients are not interested in Scandinavian financials at any price."

Mr Johan Hiller, the investor relations manager of Skandia, says the affair has paralysed the markets. "Everything has been forgotten apart from who controls Skandia. It's a soap opera in a way."

Worse was to come. In April Skandia agreed a complex financial deal which would have given it majority control of Hafnia. The deal fell through when Hafnia's shareholders objected at the imposition of Swedish control. Instead, they agreed a restructuring, sacked Mr Hansen and sought to recapitalise through a DKr2bn rights issue.

The financial markets were unimpressed. The share prices of all four companies continued to slide. Skandia sank to a new low of SKr91.50 in July. Baltica's share price fell from DKr790 at the beginning of last November to DKr458 by the end of June, compounding Hafnia's problems. Fresh investment losses at Hafnia stemming from the overall fall in Scandinavian equity markets wiped out the whole of the new capital within six weeks.

By last month the liabilities of both Hafnia and Uni Storebrand exceeded their assets, and both companies were forced to suspend payments to creditors. Creditors, shareholders and state-appointed administrators now have a few months in which to sell the companies' assets. If they are unsuccessful, a long and complex liquidation of life insurance and non-life insurance operations is in prospect.

Critics accuse Mr Langangen and Mr Hansen of overambition. Skandia's Mr Wolrath says they had a false impression of their own power. "They were so big in their home markets that they thought they were Batman."

But defenders of the two men point to deeper causes. A former colleague of Mr Langangen says domestic media reaction reflected Norwegian suspicion of individual achievement and entrepreneurship. "It shows that what Norwegians call *Jante Loven* is alive and well," he says, referring to a fictional moral code devised by the Scandinavian novelist, Aksel Sandemose.

The code, which governs social relations in a Norwegian rural community of Jante, has among its commandments: "Don't think you are something because you are not; don't think you are wiser than us; don't imply that you are better than us."

Joe Rogaly

Apple-pie curriculum

I do not know what you expect of our schools, but I want children to be stretched. They should be taught mathematics. They must know when calculators go awry. In Britain they should become proficient in the native English tongue, which is still a useful dialect of standard American. They should be in touch with western culture, which implies an acquaintance with at least the Bible, Shakespeare and the best of modern literature. A little science, a smidgen of history and a dip into French, German or another European language would all help. It may be too much to hope for, but it is desirable that they also absorb a set of values, a sense of the difference between right and wrong.

Ten years ago such a menu of aspirations would have been regarded as eccentric, the product of an incorrigible elitist. Some would have labelled it reactionary, or neo-fascist. Today it is becoming standard pedagogic fare. Only the promotion of religious education and basic values is still seriously disputed. This historic turnabout is the product of a decade of debate that followed a challenging speech by the last Labour prime minister, Mr James Callaghan, in 1976. At that time the avowed purpose of "child-centred" classroom teaching was to facilitate self-awareness. Today it is to impart knowledge, or to transfer skills. The development of the self may follow.

This revolution in what happens in the classroom was made possible by Mr Kenneth Baker's education act of 1988, but the process is incomplete. The new machinery will not settle down until nearly the end of the century. In consequence we are in the midst of a decade of turmoil in education. There is no escape. The alternative was to continue with a system of state schooling that betrayed the children it ought to have served. All political parties are now agreed that that was not acceptable.

The pace of change is quickening. Mr Baker was a poor administrator, so the implementation of his act was left to a department that did not believe in telling teachers what to do. Early versions of the national curriculum were unworkable. His successor, Mr John MacGregor, started to tackle this but had little time in the office. It was the next minister, Mr Kenneth Clarke, who packed the statutory advisory bodies invented by Mr Baker with people who believed in the changes the government wanted, rather than good folk the civil servants knew.

Mr Patten believes the revolution has conquered the apparatchiks themselves

I recite this history in order to put the recent headlines scored by the new education secretary, Mr John Patten, in their proper place. Fate has indeed smiled on Mr Patten. He may succeed, but it will be at least partly because his predecessors handed him success on a plate.

He finally made it to the cabinet on April 10, well-placed to take forward a programme arrived at after 10 years of debate and four years of hesitant starts. He found his new department at a new address, to which Mr Clarke had moved it over Christmas. It was the ideal occasion for a politician's coup. The old-think networks of officials have been swept away. What was called the department *of* education and science is now the department *for* education. A white paper – a new mission statement – was published in July. A new high-flying permanent secretary will arrive next January. Previous education ministers were frustrated by the department. Now, Mr Patten believes, the revolution has conquered the apparatchiks themselves.

This increases the chances that he will be the author of a huge administrative blunder. His populist plan for most schools to opt out of local authority control has little to do with education. It is pure Tory ideology. Yet enhanced political control over his department also makes it almost too easy to pick up applause for pursuing his job with rigour. He will review the standards of the examining boards. He will send the science curriculum back to be tightened up. He can even be quite daring. Before the April election a plan for all 14-year-olds to display some knowledge of three specified Shakespeare plays, plus a good grasp of grammar and spelling, would have been loudly assailed as narrow and restrictive. This week just such a proposal was put forward. There have been mere squeaks of protest.

He is also able to make a bow to moralist Conservatives, the equivalent of "family values" Republicans in the US. At lunch in Cambridge on Monday Mr Patten asked Sir Hermann Bondi, the president of the British Humanist Association, for advice on teaching values. Sir Hermann, who has founded a group for that purpose, opened the discussion to other guests, including the Catholic Bishop of Leeds. Their apple-pie notions may find their way into the curriculum before long. They seem harmless: do as you would be done by; respect the person and so on. I do not scent incipient authoritarianism here, not yet. But I have to report that Mr Patten has taken to referring to himself, we must hope in jest, as "the nation's headmaster".

The winners in Sunday's general election will inherit a divided society and a series of economic problems, says **Victor Mallet**

Day of judgment for Thailand's generals

Devils and angels are evenly matched in the battle for Thailand's soul, according to the latest opinion polls.

In the language of Bangkok liberals, the "devil parties" competing in Sunday's general election are those which formed a coalition government after the previous poll in March, chose the army chief as prime minister and supported the military when troops killed 50 pro-democracy protesters in the capital in May.

The "angel parties" backed the demonstrators and succeeded in forcing the resignation of General Suchinda Kraprayoon from the premiership. Their victory led to the dissolution of parliament and this weekend's election.

Pollsters and analysts, grappling with the complexities of an election contested by 12 parties, have made conflicting predictions about the outcome. But all agree that the next Thai government will again be a fragile coalition between parties on both sides of the political divide.

Whoever emerges as the new prime minister will need to attempt to heal the wounds inflicted on society by the May violence. They will also need to redress the planning failures which have left Thailand and its fast-growing economy with an inadequate education system, a poor transport infrastructure and a deteriorating environment.

If the "devils" do well on Sunday the most likely candidate for prime minister is Mr Chatichai Choonhavan, a former premier who now leads a party called Chart Pattana (National Development).

Mr Chatichai presided over a notoriously corrupt administration until he was overthrown by Gen Suchinda in the February coup. He is therefore opposed by foreign businessmen and by the increasingly liberal and middle-class population of Bangkok.

Among the so-called angels, there are three probable candidates for the premiership: Mr Chamlong Srimuang, leader of Palang Dharma (Moral Force); Mr Chuan Leekpai, who heads the Democrat Party; and Mr Chavalit Yongchaiyudh, leader of the New Aspiration Party.

Their chances are thought to have improved since the March election, which left them with insufficient seats to form a government. Distrust of the military and weariness of corruption seem to be spreading to provincial towns from the liberal strongholds in Bangkok and southern Thailand.

However, the loose alliance of anti-military parties forged during the May crisis has been weakened by rivalry between Palang Dharma and the Democrats. Mr Chamlong, an anti-corruption campaigner and devout Buddhist, is accused by some Democrats of leading the Bangkok marchers to their deaths in May in pursuit of his own political ambitions. Mr Chuan is criticised by members of Palang Dharma for failing to take bold action outside the confines of parliament at the crucial time.

Mr Chavalit has difficulty articulating clear policies and his party's reputation has been damaged by allegations of vote-buying.

But despite the talk of heaven and hell, the policies of the parties on each side of the political divide are often indistinguishable. Most MPs are elected on the basis of their personal influence rather than their party affiliation.

With Mr Chamlong as prime minister, there would certainly be a drive against corruption. He has also promised to stamp out the country's vice trade by enforcing existing laws against prostitution.

Three of the four leading contenders for the premiership are retired generals – Messrs Chatichai, Chamlong and Chavalit – a useful experience for a prime minister wanting to keep the military, and its civilian critics, under control.

The armed forces themselves, which have launched or attempted to launch 18 *coups d'états* in the past 60 years, are keeping a low political profile, although some of the generals are openly resentful of attempts to curb their power since May. They have been stripped of many of their business sinecures by the interim government of Mr Anand Panyarachun. Only this week the Anand administration took control of Thai Airways International, the partially privatised national airline, from the air chief marshals who long dominated the board and regarded the company as their private fiefdom.

The economy has survived this year's political turmoil with less damage than originally feared, and the latest official estimates suggest that real gross domestic product will rise by slightly more than last year's 7.5 per cent.

Businessmen and economists, however, are concerned by the failure of successive governments to implement long-term plans to improve education and infrastructure. Professor Ammar Siamwalla, president of the Thailand Development Research Institute, the country's leading think-tank, has been analysing the evolution of this problem.

He told a pre-election seminar that Japan's experience showed a country could "have sustained economic growth continuing on with a relatively backward political system". Thailand's economy, he said, had grown rapidly despite corruption because a system was in place which allowed professionals to control macro-economic policy while elected politicians ran ministries – such as transport and telecommunications – where there were opportunities for graft.

But there were two dangers in this system, Prof Ammar said. First, the corruption could become "too indecent", as it did when Mr Chatichai was prime minister, and second, rapid economic growth had created a need for long-term policy-making, which Thailand lacks.

One of the results of this failure is an educational system which is inferior to those of Thailand's regional competitors and which is failing to produce enough of the skilled workers and managers needed to maintain the country's rapid development. Even by the year 2000 three-quarters of the workforce will have only primary education or less.

Economic reform was likewise often neglected until the arrival of Mr Anand, a businessman. During his two short terms as unelected prime minister after the 1991 coup, he launched a series of reforms, including trade liberalisation, a value-added tax and the establishment of a Securities and Exchange Commission.

This week all four prime ministerial hopefuls said they would invite professionals rather than elected politicians to run important economic portfolios in a new government. There is also broad consensus that Mr Anand's vigorous programme of economic reforms should be pursued.

In one of his final speeches before retiring from politics – for the second and, he hopes, the last time – Mr Anand singled out education, the environment and the need to strengthen political institutions as the priorities for future governments.

Whoever wins – and the outcome is likely to depend on delicate negotiations about forming a coalition – resolving these problems will require angelic temperament and devilish cunning.

High aspirations: from above left, Messrs Chavalit, Chatichai, Chamlong and Chuan

Planning failures have left the country with inadequate schools, poor transport *and environmental problems*

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Unrealistic rates of exchange

From Mr Dag Lindskog.

Sir, In your editorial, "Nordic paths diverge" (September 9), on the Finnish devaluation you write of the similarities between Finland and Sweden: "The two countries confront remarkably similar problems . . . It follows that their respective exchange rate policies are unlikely both to be right."

Your first statement is correct. Finland and Sweden face debt deflation, negative growth and rising unemployment. Just like the UK.

Your second statement is wrong. After the breakdown of the Bretton Woods system and throughout the 1970s, the average exchange rate between the Swedish krona and Finnish markka was 1.15. In the 1980s the markka soared to 1.55 in 1990.

Such sustainable appreciation can only be justified by very favourable Finnish cost development in comparison with Sweden. However, OECD statistics show costs developed in similar ways. Accordingly, the Finnish markka gradually became substantially overvalued during the 1980s.

How could this go on for so long and collapse so quickly? The answer is the earlier huge bilateral trade with the former Soviet Union which sheltered a large part of Finnish industry from foreign competition. The warning signals from rapidly increasing costs became too weak, but blew up when the bilateral trade recently ended.

The new exchange rate between Sweden and Finland is again 1.15 and fully justifiable. That is not true of the Finnish decision-makers' handling of the exchange rate policy, however, as they have tried in vain to maintain an unrealistic rate.

The natural collateral is that the Swedish krona should not be devalued. But the central bank's extraordinary monetary policy must be given support from a tighter fiscal policy.

Dag Lindskog,
chief economist,
Skandia Investment Management,
Stockholm, Sweden

Smaller companies put at risk by insider dealing plans

From Mr William Drake.

Sir, The "Tougher legislation on insider dealing" (September 9) has serious implications for smaller quoted companies. It will lead to a further withdrawal by institutions from funding smaller and medium-sized UK companies, just at a time when their requirement for funds is at its greatest and their ability to raise money from the banks is limited.

Institutional investors in smaller companies have become increasingly concerned by the lack of liquidity in the shares of these companies. The effect of the legislation will mean that neither stockbrokers nor institutions will be able to have direct contact with companies except in respect of published information, and the institutions' compliance departments will probably insist that institutions do not buy shares on the recommendation of brokers, given that the brokers might have had some direct contact with the company.

For these reasons, institutions will withdraw from direct investments in smaller companies, liquidity will decline, and institutions will be unwilling to fund placings, rights issues, etc.

In the long term, no doubt, methods of financing can be devised similar to those in the development capital industry, which will provide equity funds for companies. However, by the time this change in our system occurs many worthy companies will either have gone to the wall or have been unable to pursue attractive commercial opportunities through lack of funding.

I strongly advise directors of smaller quoted companies to lobby the government to change its mind.

William Drake,
Granville Davies,
Mint House,
77 Mansell Street,
London E1 8AF

From P G Evans.

Sir, The proposed UK legislation on "insider dealing" has all the hallmarks of taking a sledge-hammer to crack a nut. For the objective of catching the tiny minority (1 per cent?) of sharp operators, the whole UK investment industry's future appears to be put in jeopardy at a time when the City of London is trying to become the financial centre of Europe.

For nearly 50 years UK fiscal policies have favoured investment in housing rather than industry and by institutions rather than individuals. Regular deficit financing by UK governments and generally lax funding policies have led to constantly higher rates of inflation than our main industrial competitors. This in its turn has resulted in a significantly higher price for long-term capital and consequently a lower level of investment by our industry.

To these existing burdens the government now apparently wishes to turn investment based upon knowledge and regular appraisal into a crime.

Isn't it about time that the mandarins of Westminster and Whitehall got off our backs and out of our pockets and gave the country a chance?

P G Evans,
Bramley,
Basingstoke,
Hampshire RG26 5BP

Index will further the cause of derivatives

From Mr Roger Parsons.

Sir, It is with dismay that I note your imminent introduction of a medium capitalisation index to be followed by a family of real-time market sector indices ("New UK share indices to join existing benchmarks", September 2).

These new members will further the cause of derivatives which are already threatening to undermine the functioning of the underlying market. At the same time institutional managers will be further opting out of their responsibilities by increasing the scope for index-tracking. By definition these funds can only react to previous price movements, thereby exaggerating trends and increasing volatility undesirably.

Performance management will become more detailed but the additional statistics may only serve to confuse. In my years as a fund manager, we were paid to attempt to outperform the future rather than to concentrate on jobbing backwards. Emphasis on historic mathematics must also be very discouraging to the management of quoted companies and, I suggest, provide a classic case of the tail wagging the dog!

Roger Parsons,
9 Holly Lodge,
41 Lindsay Road,
Poole, Dorset BH13 6BQ

A religion nothing like a railway system

From Mr H C Guglani.

Sir, I refer to the feature, "India: a penitential ride to Madurai" (August 29). Intelligent travel writing presupposes prior spade-work by the writer; a degree of sympathy with the subject; and, above all, humour that is neither frivolous nor offensive. I am afraid the feature fails on all counts. Why ever did Mr David Pilling visit India? Surely, it could not have been his intention to dissuade people from visiting India, since he appears to have secured facilities from the Indian Tourist Office.

This is hardly the place to give him a rudimentary idea of Hinduism. Suffice to say that it is not "like a railway system" – whether Indian or some other. No religion deserves such an uninformed and unwarranted comment.

H C Guglani,
attaché,
Embassy of India,
Damascus

OBSERVER

Travellers' tales

■ So what subject aroused the keenest discussion in yesterday's meeting of Britain's cabinet – the first since the summer vacation? Not the recession, nor even the turmoil on the foreign exchange markets, Observer's mole advises.

True, Norman Lamont explained his strategy for beating off the currency speculators. But his recital excited no more than nods of assent from his colleagues until John Major called for a round of applause for the chancellor's sterling efforts.

The hot topic was what the assembled company had done on their holidays. It turned out that the great bulk of them had visited France and wanted to air their personal judgments of the Maastricht referendum campaign.

But not even Eurosceptic Peter Lilley, the social security secretary, was bold enough to suggest that their personal straw polls pointed to a No vote. Instead, the general consensus was that President Mitterrand could count on a narrow victory. The only one to venture that the result would be a resounding Yes was William Waldegrave, and he hadn't been to France.

The name of the minister who then spoilt the fun by reminding the cabinet of the entirely unexpected humiliation of President de Gaulle in the late 1960s must sadly remain anonymous.

Open debate

■ The cabinet mole didn't say whether ministers expressed any views on Sir Anthony Jacobs's interesting pump-priming proposal to give tax relief on all personal sector borrowing. But provided they've been able to tear their eyes away from the tabloids, they can hardly have missed his ads in the serious press.

Sir Anthony, who sold his British School of Motoring for £40m a couple of years ago, spent £25,000 on "An Open Letter to the Chancellor of the Exchequer". Sir Anthony is not an economist or a crank. He is a chartered accountant who used to be a big wheel in the Liberal party and was once an adviser to John Pardoe. However, he stresses that his ideas were not vetted by any political party. They may be daft, but they are his own and he is not representing any vested interests.

But why waste money on an advert? Sir Anthony never has much difficulty getting to see ministers. "They don't skimp you with their time, you can normally get an hour," he says. But the problem is the civil servants. "They don't like radical ideas and as soon as you leave they spend their time demolishing them," says Sir Anthony who was concerned his idea wouldn't see the light of day.

So he has decided to go public with his views. "I've never done anything like this before, and will probably not do again," says Sir Anthony. Good luck to him.

Black stuff

■ Moscow-style private enterprise arrived with a huge Russian contingent at the Farnborough airshow this week. At the foot of a ladder leading to the cockpit of a Sukhoi fighter aircraft stood a jolly round man dressed in a denim jacket, jeans and white training shoes. "Pleeese. Fife pounds" were his only words of English and constituted an invitation and unofficial fee to see inside the cockpit of the beast.

"Zounds"

Observer naturally resisted the arrival of a black market in plane spotting. Only a young woman in a short skirt took up the offer and was allowed through gratis.

Playtime

■ Puzzling to see the three Shakespeare plays which education secretary John Patten says must be covered in English tests for 14-year-olds: Julius Caesar, A Midsummer Night's Dream, and Romeo and Juliet.

But he's no doubt right in saying their "enduring themes... will capture the imaginations of pupils". What better to suit young teenage tastes than themes like cowardice, lust, betrayal, murder and war?

Swift response

■ Did Italy's new treasury minister Piero Barucci have a hand in choosing Credito Italiano, the country's sixth biggest bank, as its first main candidate for privatisation? After all, he spent two years as joint managing director at its Milan HQ before his surprise summons to replace Guido Carli at the treasury.

Among his plans for the company was to give it a higher profile. Although respected and profitable, the 120-year-old bank has always tended to languish in the shadow of its slightly bigger Milanese sister, Banca Commerciale Italiana. Pushing Credito to the forefront through privatisation could hardly be bettered as a way of making it more prominent.

On the other hand, the signs are that the decision was at least as much forced on the government as that it was Barucci's choice.

At last weekend's European Community finance ministers' meeting in Bath, Barucci's counterparts congratulated him on the new Italian government's attempts to get to grips with the country's vertiginous budget deficit and to defend the lira. But they also emphasised that the best indicator of the government's good intentions would be to take the bull by the horns and privatise a prime state-owned asset in earnest.

Four days later, the treasury obliged.

Nordic joker

■ Norwegian humour as Luxo International's UK subsidiary launched in Rugeley a new range of lighting products. Lars Harlem, managing director, singled out Stein Muller, his Norwegian marketing manager, and Frank Edwards his UK chief: "I would particularly like to say thank you to Frank and Stein. ..."

Inside job

■ Prisoners at Coldingley jail in Surrey are producing neighbourhood watch signs in their workshop.

FINANCIAL TIMES
Friday September 11 1992

ANC draws back from confrontation with Pretoria after Ciskei deaths

Mandela to meet de Klerk

By Patti Waldmeir in Johannesburg

THE African National Congress last night pulled back from the brink of confrontation with the South African government, by agreeing that Mr Nelson Mandela, the ANC leader, should accept Pretoria's invitation to meet President F.W. de Klerk to address the question of political violence.

The decision to hold talks with the government over violence which earlier this week claimed the lives of more than 20 people in the Ciskei black homeland represents a victory for the moderate faction of the ANC, which is committed to negotiating a new constitution for South Africa.

It was an important move to defuse one of the country's most serious political crises since Mr de Klerk launched his political reform programme in 1990.

During a two-day meeting of the policymaking national working committee of the ANC, which ended last night, powerful voices within the organisation's leadership were raised in favour of halting negotiations altogether, and pursuing mass protest actions to weaken the government.

However, leading moderates won the day, arguing that Mr Mandela should meet Mr de Klerk, subject to the fulfilment of certain conditions. These included the release of remaining political prisoners, the banning of dangerous weapons in public and action to reduce violence emanating from single sex hostels in black townships.

Mr Cyril Ramaphosa, ANC secretary-general, said he was ready to meet Mr Roelf Meyer, the minister of constitutional development, as early as today to prepare for a summit between the ANC and National party leaders.

He said ANC leaders would welcome a visit from a UN representative to mediate in the crisis – a move proposed earlier in the day by Mr Pik Botha, foreign minister.

Mr Botha yesterday sent a 21-page memorandum appealing to Mr Boutros Boutros Ghali, UN secretary-general, to put pressure on the ANC to stop what he called "provocative actions which put at risk the lives of innocent South Africans."

The tone of Mr Botha's memorandum, which attacked the ANC for proceeding with the Ciskei march which led to Monday's massacre, contrasted sharply with the more conciliatory note struck by the ANC statement.

The statement made no mention of previous ANC plans to seek the overthrow of the governments of the Bophuthatswana and KwaZulu black homelands.

Mr Ramaphosa welcomed the fact that the government and the ANC now agreed that negotiations on a new constitution could not be pursued until violence had been dealt with by both parties.

Pretoria toughens line, Page 7

Dogged by Maastricht: life goes on in the run-up to the referendum in St Cloud, Paris

Vance and Owen arrive in Sarajevo

By Judy Dempsey in Belgrade, George Graham in Washington and Laura Silber in London

MR CYRUS VANCE, the United Nations special envoy, and Lord Owen, the European Community mediator, yesterday arrived in Sarajevo after a hazardous 190-mile overland journey from the Croatian port of Split.

Mr Vance and Lord Owen, wearing blue flak jackets and helmets, immediately went to meet Mr Alija Izetbegovic, the president of Bosnia-Hercegovina, in the presidency building in the centre of the besieged capital. Troops ringed and sealed off part of the city centre after an outbreak of gunfire shortly before their arrival.

Lord Owen appeared shaken by the extent of devastation in Sarajevo. He said: "You see the whole wanton destruction, tower blocks shot to smithereens, and you realise so much of it has come from the top and not from street fighting." He and Mr Vance were also expected to meet Mr Radovan Karadzic, the leader of Bosnia's Serbs, in Lukavica, the Serb army garrison just outside the city.

US administration officials and congressmen yesterday continued to rule out US military intervention in Bosnia, despite the attack on UN forces which killed two French soldiers this week.

Mr Lawrence Eagleburger, the US secretary of state, said some kind of military action, such as air cover for relief convoys bringing food and medicine to Sarajevo, remained a possibility, but "we're not there yet."

In New York, Mr Boutros Boutros Ghali, UN secretary-general, recommended an enlarged peacekeeping force to escort relief convoys in Bosnia-Hercegovina. In a report to the Security Council he gave no precise numbers but said the 1,500-strong force in Sarajevo could increase as much as fivefold. He did not recommend any air cover.

Mr Milan Panic, Yugoslavia's prime minister, will today ask the United Nations and the European Community to send international observers to monitor air bases in Serbia and Montenegro, the two republics which form the new Yugoslav federation. He wants the monitors to be able to prove that Yugoslavia is not supplying military back-up to Serb forces in Bosnia.

Mr Panic, who is anxious to establish his control and authority over the federation, will meet Mr Vance and Lord Owen today.

Mr Panic secured the resignation of Mr Vladislav Jovanovic, the federal foreign minister, following his warning last week that he would dismiss members of the old government.

Fujitsu builds fastest computer

By Alan Cane in London

FUJITSU, the Japanese computer manufacturer, said yesterday it had developed a supercomputer able to operate more than 20 times faster than its nearest rival. At top speed, it can make more than 350bn calculations a second.

This level of power is needed to tackle so-called "grand challenge" computing problems such as modelling the behaviour of the oceans and the atmosphere – necessary for weather forecasting – and examining the way molecules interact – used in the design of drugs. Other possibilities include crash simulations involving entire cars or aircraft and the detailed design of nuclear reactions.

Cost of the new machine, depending on size, is likely to be $10m-$50m.

The fastest machine now available is built by Cray Research of the US, which is the world leader in supercomputers. This computer can do only 16bn calculations each second.

Fujitsu has found a way of persuading large numbers of small supercomputers to work together to yield huge computing power. It says it will further develop the technology and create, by the end of the decade, a machine which could be capable of 10,000bn calculations a second.

Fujitsu's achievement will feed fears in the US that Cray Research and other US supercomputer makers have lost the initiative to the Japanese after dominating the supercomputer business for two decades.

There are only just over 400 supercomputers installed worldwide, but national pride is tied up in the technology which is seen as strategically vital as well as the leading edge of computer science.

Now that's fast, Page 13
US computer launches, Page 21

Bush offers US an 'agenda for renewal'

By Jurek Martin in Washington

PRESIDENT George Bush claimed yesterday that a 1 percentage point across-the-board reduction in US personal income taxes was achievable if Congress agreed to his proposed cap on mandated federal spending.

Presenting in a speech in Detroit what he called his "agenda for American renewal", Mr Bush acknowledged that the country felt "uneasiness" about the current state of the economy.

The answer, he insisted, lay in "the power of regeneration" inherent in individual initiative and the benefits of a freely trading global economy. What he branded as "the mirage" fostered by Governor Bill Clinton, the Democratic presidential candidate, that government should accumulate capital and redistribute it, was no solution.

The speech mostly consisted of a recitation of existing policy proposals, with two or three new twists – including an aim to reach trade agreements with Poland, Czechoslovakia and Hungary, an offer to cut the White House budget by one third if Congress did the same, and a recommended 5 per cent pay cut for all federal employees earning more than $75,000 a year.

In domestic political terms it was intended to lay out an economic and social programme for a second term, which the president grouped under six headings, to combat what is widely seen as the weakest element in his bid for re-election and the strength of Mr Clinton's appeal.

However, the impact of Mr Bush's speech may have been diluted only hours before he delivered it as the White House sought to play down his own almost emotional commitment of the day before not to raise taxes again "ever, ever".

Mr Marlin Fitzwater, the White House spokesman, said this "wasn't a pledge" never again to raise taxes, but only to acknowledge that he made a mistake in accepting the 1990 tax increase.

This left the Democratic campaign with a wide open opportunity, duly taken by Mr George Stephanopoulos, its chief spokesman, to point out that if Mr Bush's notorious promise of 1988 – "read my lips, no new taxes" – was null and void his new commitment could hardly be taken seriously.

Seeking to deflect attention from the particulars of the tax issue Mr Bush
said a $10,000bn US economy early next century could meet all "our most ambitious social and financial requirements."

Picture, Page 6

Swedish interest rates to remain high

Continued from Page 1

ous basics yet." In the current fiscal year the total budget deficit is believed to have more than doubled, with some estimates suggesting it could be more than SKr160bn ($31.2bn) compared with SKr68bn in the last fiscal year.

The central bank estimates that about half of that deficit is due to the downturn in the business cycle and would disappear in a revival of the economy, but the other half is structural.

Any determined action to reduce the deficit will mean painful cuts in a wide range of government spending programmes that made Sweden a model welfare state. Politicians of all parties have been reluctant to confront this issue because of the unpopular measures it would involve.

Parliament is not due to return from its summer recess until October 6. "This makes it difficult for the government to carry out a dialogue with the opposition parties in a meaningful way," Mr Dennis said.

The markets wanted to see the details of a package of measures designed to eliminate the structural deficit. "If the government and the Social Democrats could agree on the main elements of a fiscal policy, the markets would respond," he added.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
				Boulogne	S	20	68	Frankfurt	C	17	63	Majorca	F	28	82	Oporto	F	19	66	Tenerife	F	25	77
				Brussels	S	19	66	Geneva	F	19	66	Malaga	F	26	79	Oslo	F	17	63	Tokyo	F	28	82
				Budapest	S	23	73	Gibraltar	F	23	73	Malta	S	26	79	Paris	F	21	70	Toronto †	F	18	64
Ajaccio	S	27	81	Buenos Aires	F	19	66	Glasgow	C	15	59	Manila	C	31	88	Prague	S	20	68	Tunis	S	33	91
Algiers	F	29	84	Cairo	C	30	86	Helsinki	C	15	59	Melbourne	F	14	57	Reykjavik	S	6	43	Valencia	F	25	77
Amsterdam	S	19	66	Cape Town	S	17	63	Hong Kong	F	31	88	Mexico City	C	19	66	Rhodes	S	28	82	Venice	C	19	66
Athens	S	30	86	Caracas	F	30	86	Innsbruck	F	23	73	Miami †	S	27	81	Rio d'Janeiro	C	25	77	Vienna	S	21	70
Bahrain	S	35	95	Casablanca †	C	22	72	Inverness	F	18	64	Milan	R	20	68	Rome	S	27	81	Warsaw	S	19	66
Bangkok	C	33	91	Chicago †	S	12	54	Islamabad	C	24	75	Montreal †	S	20	68	Salzburg	F	21	70	Washington †	F	23	73
Barcelona	S	23	73	Cologne	S	20	68	Istanbul	S	25	77	Moscow	C	15	59	S'Francisco †	C	15	59	Zurich	R	16	61
Beijing	S	27	81	Copenhagen	C	18	64	Jakarta	R	31	88	Munich	S	20	68	Seoul	C	25	77				
Beirut	S	27	81	Corfu	S	30	86	Johannesburg	F	26	79	Nairobi	C	22	72	Singapore	F	30	86				
Belfast	C	15	59	Dallas †	F	24	75	Lisbon	S	23	73	Naples	S	28	82	Stockholm	F	17	63				
Belgrade	S	17	63	Dublin	R	16	59	London	C	19	66	Nassau	C	32	90	Strasbourg	C	19	66				
Berlin	S	20	68	Dubrovnik		–	–	Los Angeles †	C	18	64	New Delhi	F	29	84	Sydney	C	15	59				
Biarritz	S	25	77	Edinburgh	F	17	63	Luxembourg	S	19	66	New York †	C	24	75	Taipei	C	32	90				
Bombay	F	30	86	Faro	S	22	72	Madeira	S	23	73	Nice	S	23	73	Tangier	S	25	77				
Bordeaux	S	22	72	Florence	C	22	72	Madrid	S	26	79	Nicosia	S	30	86	Tel Aviv	S	30	86				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

THE LEX COLUMN

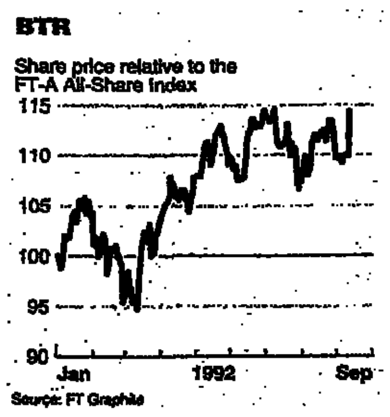
A provisional success

There are two ways of looking at BTR. One is to focus on its undoubtedly well-honed skills in industrial manufacturing. The other is to put it in the category of companies which cannot resist the blandishments of acquisition accounting. Yesterday's 5 per cent rise in the share price suggests the market prefers the former view, and not entirely without justification. First-half operating profits in BTR's traditional businesses fell only 7 per cent despite fierce recession in some of its most important markets. Yet the rest of the story is marred by the extent to which provisions are being made and used against last year's Hawker Siddeley acquisition.

Hawker's contribution to pre-tax profits was probably not much more than £120m. Yet BTR drew £90m from the £270m of provisions taken through the balance sheet following the purchase. Yesterday it announced a further provision of £110m, bringing the total to roughly a quarter of the Hawker price. BTR is, of course, perfectly entitled to behave in this way. It is also scrupulously explicit. Still, its recourse to provisions is large enough to raise questions over its quality of earnings.

It would be a comfort if the company were generating more cash. BTR has instituted a squeeze on working capital, though that means the second half is unlikely to see the usual seasonal improvement. Meanwhile it is heavily dependent on disposals to finance capital spending and reduce gearing. Perhaps BTR will generate more cash after the integration of Hawker which is going ahead at commendable speed. But investors might prefer to wait and see before pushing the shares much higher, especially since margins on the Hawker business are unlikely to rise much further.

FT-SE Index: 2340.6 (+13.1)



Cadbury Schweppes

Cadbury's interim results confirmed its status as one of the quality stocks in the food manufacturing sector. Items such as the £14m fall in working capital indicate strong management grip, and the digestion of the Aguas Minerales acquisition in Mexico seems to be progressing well. As well as adding new brands to the stable, the hope must be that such purchases will allow Cadbury to grow organically by selling existing products through the acquired companies.

But there are problems. Competition in soft drinks is fierce and getting fiercer, as the 44 per cent fall in European beverage profits shows. The decline of the dollar is also likely to hurt in the second half, and full-year earnings may not be much higher than last year. Given the non-cyclical character of the sector, an economic recovery is unlikely to boost sales dramatically, so the outlook for earnings growth is sluggish. On top of that the much-vaunted prospect of a bid has receded with US predators hamstrung by the low dollar.

Investors must thus decide whether Cadbury's premium rating to the market arises from its trading outlook or the scarcity of good food stocks. While the price is undoubtedly boosted by fund managers trying to avoid less successful food manufacturers, Cadbury's has a valuable portfolio of well-run brands. On that basis yesterday's 14p fall in the shares increases their attractions.

RTZ

The most interesting feature of RTZ at present is its sensitivity to currency movements. The metals company went to some lengths at its half-year presentation yesterday to demonstrate that the impact of foreign exchanges on its earnings is generally less than it seems, and that the long-term economic value of a shareholder's investment can often be broadly unchanged. Cynics will say that the exercise was designed to explain the 12 per cent under-performance of RTZ's shares since the end of June; the rejoinder is that the company may be talking itself out of a rebound in its price if the dollar recovers, or if sterling devalues within the ERM.

RTZ's analysis is as relevant to other overseas earners. It makes the often forgotten point that when one bilateral currency relationship changes, others do not necessarily remain constant. Thus, while a 10 per cent fall in the US dollar against the pound might typically knock £50m off half-year earnings, an accompanying 10 per cent fall in the Australian dollar saves £17m in costs. Though difficult to quantify, a falling US currency tends over time to lead to a rise in commodity prices, a development which might add back a further £18m in the above example. Finally there is the lower sterling value of foreign currency debt, of which RTZ has $1.8bn.

The message is clear. The shares may be fair value on a 5.5 per cent yield and above average earnings multiple. They should not be chased uncritically.

Glaxo

Critics of Glaxo's dependence on a single drug can point to the fact that Zantac accounted for 44 per cent of the company's sales last year and perhaps 60 per cent of its profits. They might also worry that the migraine treatment Imigran has not yet received US approval and that the anti-emetic Zofran, while doing well, has a limited market. But that would be to ignore the marketing power of the company; Zantac may be no spring chicken, but sales rose by 13 per cent last year. Clearly longer term prospects are governed by the success of drugs such as Imigran, and while the size of the market is not yet clear, the indications are that they too will be money spinners. Given the large US holding in Glaxo, UK fund managers who are underweight may feel the pain in their performance statistics.

BBL/ING

The cause of continental minorities was advanced last month when a Belgian court ordered the French hotel group Accor to compensate at least some aggrieved Wagons-Lits shareholders with the premium price it paid to win effective control in June 1990. Yesterday's news that the Dutch insurer ING is expecting to make a general offer for Banque Bruxelles Lambert at BF3,600 per share – the same price which it is planning to pay for a crucial 7 per cent stake now held by Italian investors – is also a heartening development. Not before time it looks as though local stock market regulators are waking up.

FINANCIAL TIMES
COMPANIES & MARKETS

Friday September 11 1992

INSIDE

MBO may succeed at Galerias Preciados

A management team has emerged as the most likely buyer of Galerias Preciados, the Spanish department store chain owned by Mountleigh, the UK property group in receivership. Peat Marwick, the receiver, said "several offers" had been received for Galerias and there would be "no fire sale".

Cadbury Schweppes ahead 13%

Cadbury Schweppes, the confectionery and soft drinks company, increased pre-tax profits by 13 per cent to £126m in the six months to June 13. **Page 25**

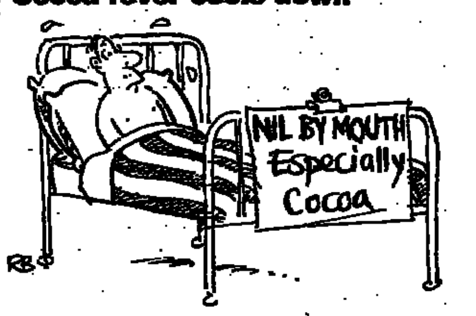
RTZ shares rebound

Shares in RTZ, the world's biggest mining company, rose after the group reported a 3 per cent improvement in pre-tax profits for the first half. **Page 24**

Ray of hope in Argentina

The worst is over for the Buenos Aires stock exchange, shell-shocked after a 45 per cent slide in share prices since June. That, at least, is the view of local brokers who forecast a gentle rise in prices for the rest of the year. However, there is unlikely to be much cheering by the many small-time punters who gambled on the stock market. They panicked when share prices dipped and are unlikely ever to return. **Back Page**

Cocoa fever cools down



In the late 1970s and early 1980s cocoa fever swept through the small town of Tawau, in East Malaysia. "We all had pockets full of cash then," says Mr Nicholas Mok, a local cocoa smallholder. But that was in the good old days. **Page 36**

Goodman Fielder surges

Goodman Fielder Wattie, Australia's biggest food group, has maintained a resurging operating performance with a 7 per cent rise in net profits, before special items. **Page 22**

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)				Paribas	327	+	16
Rises				Sab SA	383	+	14.5
Commerzbank	218.5	+	3	Soc Generale	529	+	26
GEHE	377.5	+	13.5	**Falls**			
Falls				GTM-Entrepose	371	−	19
AG Ind Verk	448	−	12	Rhone P Cts	530	−	70
Degussa	308.3	−	5	**TOKYO (Yen)**			
Rheinmetl Ber	238	−	7	**Rises**			
Varta	300	−	12	Gapan Kanko	450	+	80
NEW YORK ($)				Jacoma Sew			
Rises				Mch	441	+	121
Best Buy	17¾	+	⅜	Toyo Sugar Ref	451	+	69
Natl Semicondtr	12	+	⅞	Utoku Express	610	+	125
Falls				**Falls**			
Alliance Pharm	10¼	−	4½	Daikyo	850	−	75
Apple	48	−	1	Meisei Elec	250	−	20
Gillette	56½	−	½				
Rhone Poulenc	24	−	4¾				
PARIS (FFr)							
Rises							
Docks de Fr	330	+	11				

New York prices at 12.30.

LONDON (Pence)				Airtronic Lels	28½	−	2½
Rises				AssocBrPorts	213	−	11
BTR	425	+	19	Bibby (J)	120	−	16
EnterpriseOil	317	+	19	Booker	325	−	22
Hepworth	235	+	15	Church	265	−	25
Hillsdown	88	+	5	Coats Viyella	155	−	10
LWT	254	+	13	Evans Halshaw	173	−	28
Laing (J) A	120	+	11	MTM	25	−	8
London Intl	174	+	11	Pendragon	166	−	13
Natl Power	257	+	22	SeverfieldRve	28	−	7
PowerGen	270	+	18½	Smith (D S)	253	−	20
RTZ	514	+	22	Vickers	84	−	14
VSEL	420	+	19				
Falls							
AMEC	60	−	7				

ING poised to launch bid for BBL

By Ronald van de Krol in Amsterdam and Andrew Hill in Brussels

INTERNATIONALE Nederlanden Group (ING), the big Dutch banking and insurance group, said yesterday it was prepared to launch a bid for Banque Bruxelles Lambert (BBL). The offer would value Belgium's second largest bank at BFr63.6bn ($2.19bn).

The bid would be part of ING's campaign to create a second "home" market, but the outcome depends largely on Groupe Bruxelles Lambert, the Belgian holding company which directly and indirectly controls 24 per cent of BBL.

GBL will not make its views known until a formal bid is launched, but Comte Jean-Pierre de Launoit, GBL's deputy chairman and a BBL director, said yesterday: "The price [BFr3,600 a share] doesn't seem satisfactory."

Initially, ING, which owns around 10 per cent of BBL, is seeking to buy a 6.72 per cent stake held by Unipar and SBH Investments of Italy. If these and other conditions are met, including an examination of BBL's books, ING said it would launch a bid for the rest of the Belgian bank's shares sometime after mid-October. The offer would be conditional on ING securing at least 51 per cent of BBL's share capital.

The two moves could cost ING up to Fl 3.2bn ($2bn) in cash, to be raised in part by an issue of preference shares.

The Banking Commission, Belgium's takeover authority, recommended the Dutch company should launch a full bid if it bought the Italian stake. It is the first time ING has said it intends to acquire a majority holding in BBL after months of wrangling among BBL's institutional shareholders about future alliances.

BBL's management favours an international alliance, but others – including perhaps Mr Albert Frère, GBL's influential chairman – want links with a Belgian institution, such as publicly owned Crédit Communal.

ING's proposals have split the BBL board. At Wednesday's emergency meeting, directors appointed by GBL, Royale Belge and Winterthur – Belgian and Swiss insurance companies – were outvoted when they opposed plans to allow ING to look at the bank's books. They warned against giving the Dutch group access to confidential information in case it decided not to bid. The board said it would decide whether to support a bid once it had examined the formal terms and conditions of an offer.

Lex, Page 18; BBL affair, Page 20

Canadian airlines agree to merge

By Bernard Simon in Toronto and Daniel Green in London

AIR CANADA is poised to become the North American link in a big international airline alliance after negotiating a merger with Canadian Airlines International, its main domestic rival.

Mr Hollis Harris, Air Canada's chief executive, confirmed that the Montreal-based carrier has had discussions with Lufthansa and Air France in its pursuit of a deal with a European airline.

Air France and Lufthansa have had close links with Canadian Airlines International in areas such as joint marketing and baggage handling.

However, they declined to comment yesterday. Lufthansa said it "has had discussions with everybody".

Air Canada expects to have a clearer idea soon of the chances of success for its recent bid, with a group of Texan investors, for control of Continental Airlines, the ailing US carrier.

Air Canada also recently signed a marketing agreement with United Airlines, which it says will not be affected by its bid for Continental or by its plans for a link to a European carrier.

Canadian Airlines' holding company, PWA Corporation of Calgary, agreed to a merger earlier this week after failing to conclude a deal with American Airlines. Plans for an employee buy-out also collapsed.

Air Canada and PWA had combined revenues of C$6.4bn (US$5bn) last year, with 185 aircraft and 36,000 employees.

They also control about a dozen commuter airlines in Canada. Both have been in the red for the past year and have a combined debt of about C$3.6bn.

The merged company will initially maintain the identity of both airlines but will seek to cut costs by sharing services and eliminating duplication of routes.

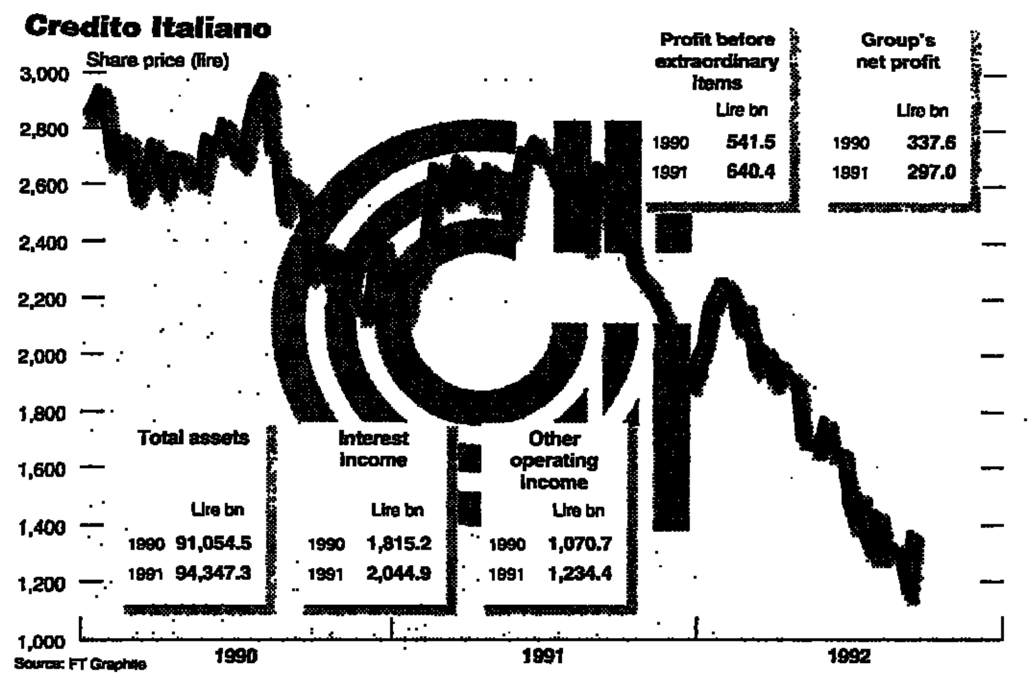
The fleet is likely to shrink substantially, and Air Canada predicts that as many as 6,000 people will lose their jobs.

The merger must still be cleared by the two companies' shareholders and by numerous regulatory agencies, including the competition bureau.

An Air Canada official said yesterday that a comprehensive merger proposal should be finalised within the next month for presentation to the regulatory authorities.

Italy signals a break with the past

The government has chosen speed over caution for the privatisation of Credito Italiano, writes Haig Simonian



Source: FT Graphite

Mr Piero Barucci, Italy's treasury minister, is a methodical man. "I like to have figures next to the facts; only then can I make up my mind," he says.

But in deciding to kick-start the country's privatisation programme with the surprise sale of Credito Italiano, Italy's sixth biggest bank, where Mr Barucci was joint managing director until his appointment to the treasury two months ago, the government has chosen speed over caution.

Rather than waiting until mid-October, when the six prominent economists and bankers appointed to advise the treasury on privatisation was due to present its findings, it has shifted gear in advance.

The announcement that IRI, the state holding group which owns 67 per cent of Credito Italiano's ordinary shares, is to sell part, or all, of its stake, comes in spite of Mr Barucci's caution and signs that the Bank of Italy would have preferred the restructuring of the country's financial institutions to take place before, rather than after, big privatisations.

Circumstances have dictated otherwise. Pressure on the lira has forced ministers to send a further signal of their determination to confront the country's structural economic problems; notably the huge budget deficit.

"It's mainly marketing," says one analyst. "The sale will demonstrate that Mr Giuliano Amato, the prime minister, is intent on change." Selling a bank, rather than one of the dozens of other companies controlled by IRI, will reinforce that image.

Public-sector banks, which dominate Italy's financial system, have long been used by politicians for patronage. In spite of Bank of Italy supervision, gaining influence over a state or municipally owned bank has been a target for political parties.

Credito Italiano and Banca Commerciale Italiana (BCI), the two most prestigious public-sector banks based in Milan, have partly resisted such influences. However, disposing of the state's majority stake in either, is one of the most powerful instruments for signalling a break with the past.

Privatising a bank should also appeal to the bourse. This year, share prices have tumbled almost 27 per cent; trading volumes have dwindled; and costs have risen sharply owing to tighter regulations and new technology.

Brokers have already indicated their appetite for a bank privatisation. Last month, BCI's shares leapt 7 per cent in a matter of hours on rumours that Mediobanca, the big Milan merchant bank, was studying its privatisation. Suggestions this week that Credito Italiano would be sold triggered a 14 per cent jump in its shares on Wednesday, when they were suspended at L1,390.

The choice of Credito Italiano, rather than the better-known BCI, is less clear. Credito Italiano has always been the less prominent of the two. Its clientele, though predominantly corporate like BCI's, does not comprise the same range of blue-chip companies. Nor is it as international as its slightly bigger sister.

Politics may have played a part. Mr Amato, a Socialist, may have been swayed by his party's aim of merging BCI with Banca Nazionale del Lavoro, the Rome-based bank identified closely with the Socialists. Alternatively, Mr Barucci may have wanted to start the privatisation ball rolling with his former company.

- 1870 founded in Genoa as Banca di Genova
- 1933 majority of shares taken over by IRI
- 1990 Piero Barucci becomes joint MD

Whatever the reasons, Credito Italiano, founded in Genoa in 1870 and still rooted in northern Italy, has no reason to be bashful. Its market capitalisation is around $2,000bn ($1.7bn) and its role as one of the main bankers to northern Italy's industrialists was underlined by the recent presence of Mr Gianni Agnelli, Fiat's chairman, on its board.

Moreover, analysts have tended to prefer Credito to BCI. While corporate business remains its keynote it has developed other activities such as leasing. The branch network, now more than 700 units, has been expanded to develop retail banking. Group total assets were L94,347bn (£44bn) at end-December.

Earnings for 1991 were disappointing, largely because of a L155bn jump in the tax bill at group level to L266.4bn and a L15bn fall in extraordinary items. As a result, net group profits after minorities fell to L297bn from L337.6bn in 1990. However, analysts were relieved to see an increase of more than 18 per cent in operating profits to L640.4bn.

This year promises much worse. Interim results, will be published later this month, and it is likely the bank will have to make higher provisions because of Italy's economic slowdown and reduced earnings on bonds.

Potential investors are more concerned with the terms for the share sale. Last year, IRI disposed of most of its Credito Italiano non-voting savings shares via an international placement led by Goldman Sachs, reducing its holding of savings stock to just 17 per cent.

Some details of the latest transaction may emerge following an IRI board meeting today and a domestic and international placement via top merchant banks seems likely. Two other factors look certain. IRI will dispose of the remaining savings stock, and cut its portion of ordinary shares below 50 per cent.

That implies selling an initial tranche of 20 per cent of the ordinary shares, which may well be sold in "units" along with some savings stock. When share prices recover, more – possibly all – is likely to go. For while "privatisation" in Italy often used to signify raising cash from the market while retaining control, under Messrs Amato and Barucci, it is set to take on a new meaning.

Observer, Page 17

Rhône-Poulenc surprises market with profits warning

By Paul Abrahams in London

RHONE-POULENC, the French state-owned chemicals group, surprised the Paris market yesterday when it warned it would not achieve its operating profits target for the third quarter this year. The group's preferred investment certificates fell 13 per cent from FFr600 to FFr530 on the news.

Analysts said the warning, after assurances four weeks ago that the target was achievable, had undermined Rhône-Poulenc's credibility, effectively scuppering short-term possibilities of privatisation or changes in capital structure.

The company, France's largest chemicals group, estimated growth in the third quarter of between 10 per cent and 15 per cent. In February, Mr Jean-René Fourtou, chief executive, promised that in spite of recession, earnings growth in 1992 and 1993 would be at least 20 per cent.

The group said it had not been aware of the full extent of the shortfall until after its half-year results at the end of August. One analyst said this suggested either a sudden downturn, or the company's reporting systems needed improvement.

The company blamed a number of factors for the underperformance, but stressed the weakness of the US dollar.

It said that although its US healthcare operations reached its targets, the dollar's depreciation below FFr4.80 had affected results of its US businesses.

Last year about 23 per cent of Rhône-Poulenc's turnover was in the US. Its American operations made trading profits of about FFr1.2bn ($240m) compared with group profits of FFr6.2bn.

The dollar's depreciation also hit the group's organic chemical intermediates operations, said Rhône-Poulenc. The relative strength of the franc made its products increasingly uncompetitive in America, while cheap US imports were undermining prices in European markets.

Earnings in Brazil were suffering from the slow-down in the economy there.

In February, Mr Fourtou expected much of the group's growth to come from the fibres businesses there. Last year the Brazilian operations earned FFr165m.

At the end of last month Rhône-Poulenc announced a 38 per cent increase in net income to FFr1.55bn in the first half of 1992 from FFr1.12bn in the same period last year.

GPA details planned share issue

By Roland Rudd in London

GPA Group yesterday unveiled its plans for a convertible preference share issue to raise between $300m and $350m at a meeting of its key institutional shareholders at its headquarters in Shannon, the Irish Republic.

Although the conversion price is still to be agreed next week, shareholders were told that it will be less than $12 a share.

The yield on the new shares at the issue price is expected to be 7½ per cent, which is significantly higher than the yield on the current shares.

GPA said a group of 15 of its biggest shareholders have agreed to underwrite the planned share issue.

Since GPA's aborted flotation, when it tried to raise $800m by offering shares at a price of $20, most of its shareholders have accepted that the value of their shares have fallen by at least $5 to $15.

The shares are currently being quoted on the Dublin grey market at between $6 to $8, although no transactions have taken place.

Mr Maurice Foley, deputy chairman, said: "We tabled outline plans for an equity placing primarily directed at our existing shareholders. We are considering the views of our major shareholders and expect to advance the matter further with them over the next few weeks."

Nomura International, global co-ordinator to the aborted flotation in June, and Davy Stockbrokers in the Irish Republic, are advising the company on the new share issue.

Aer Lingus and Air Canada, which control 18 per cent of the group's shares, told GPA's management that they are likely to take part in the convertible preference share issue.

They emphatically rejected reports that their own financial problems ruled out their participation in any new share issue.

Their involvement could be crucial to the success of the share issue as many of the group's institutional shareholders said they would only participate if all the group's shareholders took part.

GPA yesterday said that the injection of fresh equity was part of an overall recovery programme which includes two more asset-backed securitised issues and the renegotiation of its aircraft acquisition programme.

The group has placed $12bn of aircraft orders for the rest of the decade.

Exchange rates help lift Glaxo 11% to £1.3bn

By Paul Abrahams in London

GLAXO, Europe's largest drugs group, reported pre-tax profits up 11 per cent from £1.1bn to £1.29bn ($17.7bn) for the year to June 30. The results were at the low end of expectations and the group's shares fell 7p to 746p.

Sales increased 21 per cent from £3.39bn to £4.09bn, while trading profits increased 17 per cent from £1.1bn to £1.29bn.

However, Mr Ernest Mario, deputy chairman, admitted both figures had benefited from currency changes. The US dollar had been $1.76 on average during 1992 compared with $1.86 in 1991. At constant exchange rates, the increases would have been 18 per cent and 12 per cent respectively. Volume growth, excluding price increases and exchange rates, grew 16 per cent.

Sales in all four of Glaxo's established therapeutic areas – anti-ulcerants, respiratory, antibiotics and dermatological medicines – showed healthy increases, said Sir Paul Girolami, chairman.

Margins fell from 32.4 per cent to 31.4 per cent as the company increased its investment programmes. Sir Paul said the company had invested £595m on operating expenses for research and development (R&D) during the year. In addition, a further £300m had been spent on capital projects related to R&D. The group has set up an R&D centre in Japan. Sir Paul said such investment was the key to the future.

Mr Stewart Adkins, pharmaceuticals analyst at Lehman Brothers, said higher than expected R&D and capital expenditure would reduce interest receivable in the future. In 1992 it fell 22 per cent from £179m to £140m.

Earnings per share rose 13 per cent from 30.4p to 34.3p. Earnings per ADR increased only 7 per cent from $1.13 to $1.21 because of currency changes. The board proposed a dividend of 17p for the year, an increase of 21 per cent.

Lex, Page 18; Details, Page 25

Increase in turnover helps Fortis climb to Ecu196m

By Ronald van de Krol in Amsterdam

FORTIS, the Dutch-Belgian insurance and banking group, posted a 10.3 per cent rise in first-half net profit to Ecu195.8m ($279.9m) on turnover up 25.2 per cent at Ecu4.5bn.

The strong increase in turnover partly reflects acquisitions such as the purchase of the group insurance division of Mutual Benefit Life in the US. After adjusting for acquisitions and divestments, the turnover increase is equivalent to 15.2 per cent.

Fortis, which is jointly owned by Amev of the Netherlands and AG of Belgium, said the steep decline in the value of the dollar would influence second-half results, but it repeated earlier predictions that 1992 net profit would be slightly higher than in 1991.

Operating profit rose by 18 per cent to Ecu180.2m, with both the insurance and the banking operations contributing to the gain.

Realised capital gains on investments were up Ecu6.8m at Ecu71.4m. Higher gains on property and bond investments outweighed lower results on share sales.

In life insurance, the group's biggest business, operating results were largely unchanged at Ecu63.1m compared with Ecu62.4m a year earlier.

Operating results in accident and health insurance rose 40 per cent to Ecu32.8m, reflecting the US acquisition as well as an improvement in results in Belgium.

France to rescue European chip-maker

By David Buchan in Paris

THE FRENCH government yesterday announced that the French nuclear power operation CEA-Industrie is to come to the rescue of the loss-making semiconductor activities of Thomson Consumer Electronics (TCE), the state-owned electronics company.

But an earlier plan for CEA-Industrie, the industrial arm of the Commissariat a l'Energie Atomique, to merge with TCE, which has recently made even greater losses, has been shelved. Mr Dominique Strauss-Kahn, the French industry minister, said the future of TCE would be "re-examined" separately.

Following yesterday's announcement, CEA-Industrie is to displace TCE as the chief holder of the 45 per cent French stake in SGS-Thomson, the troubled European chip producer.

IRI, the Italian state holding company, holds another 45 per cent in SGS-Thomson, with Thorn-EMI of the UK holding the remainder. France Telecom, the state-owned telephone company, is also to take a part of the equity in SGS-Thomson, to further dilute the Thomson group's stake.

With this reshuffle on the French side, Mr Strauss-Kahn said the French government would be proposing to its Italian partner "a recapitalisation as soon as possible" of SGS-Thomson, which made a loss of FFr500m ($103.95m) last year.

The French industry minister claimed that SGS-Thomson would benefit from substantial synergy arising from semiconductor research carried out by CEA-Industrie and France Telecom.

The earlier plan, championed by Mrs Edith Cresson, the former prime minister, to use CEA's sizeable profits to bolster the television business of TCE, was widely criticised as lacking industrial logic. TCE has chalked up losses of FFr10bn over the past two years.

A tentative step towards a 'perfect marriage'

The Dutch insurer is ready to bid for BBL write Andrew Hill and Ronald van de Krol

It is probably stretching a point to compare the likely bid for Banque Bruxelles Lambert (BBL), the Belgian bank, with the fight for Société Générale de Belgique in the late 1980s.

For one thing, Internationale Nederlanden Groep has built its 10 per cent stake in BBL under a regulatory regime which was strengthened considerably following the shock 1988 bid for La Générale by Mr Carlo De Benedetti. For another, the Dutch banking and insurance company, which yesterday indicated it was considering a formal bid, appears to have the backing of most of BBL's senior management.

But the BBL affair does have some of the same volatile elements as the La Générale battle: a foreign bidder, the possibility of fierce opposition and an entrepreneurial figure who holds most of the keys to the outcome.

In the La Générale bid the entrepreneur was Mr De Benedetti, an outsider, and, eventually, a loser. But in the case of BBL, it is one of Belgium's most powerful insiders: Mr Albert Frère, chairman and managing director of Groupe Bruxelles Lambert (GBL), the holding company which controls some 24 per cent of BBL.

GBL and Mr Frère's influence cannot be overestimated. For example, thanks to a long-standing shareholder agreement, the holding company could actually thwart ING's offer before it has been launched – by buying the 6.72 per cent stake ING has been offered by Unipar of Italy. GBL is unlikely to exercise its right to buy, because if it did, the Belgian regulatory authorities would certainly force a bid for the rest of the bank. If anything, Mr Frère wants to reduce his stake.

But GBL is not necessarily going to cave in to the Dutch. Comte Jean-Pierre de Launoit, GBL's deputy chairman and a BBL director, said yesterday the price – which values the group at BFr63bn ($2.16bn) – seemed unsatisfactory.

GBL will reserve judgment on the bid until ING has had a closer look at the bank and launched a formal offer. That could take until the middle of next month, allowing time for other shareholders to put together alternative proposals.

One possibility, which Mr Frère is thought to favour, is a link with Crédit Communal, the credit institution jointly owned by all the municipalities and provinces of Belgium. However, if BBL's management continues to back an ING offer, such a deal would be difficult to justify.

ING's announcement yesterday was based partly on the recommendation of the Banking Commission, Belgium's takeover authority, that a bid should be launched. But the Commission yesterday denied its advice was based on last month's landmark court ruling which helped establish the definition of "control" in Belgian takeovers.

In spite of the Commission's recommendation, ING has imposed several conditions on the bid. It wants to audit the BBL accounts – against the wishes of directors appointed by GBL, Royale Belge and Winterthur, the Swiss insurer – and will not go ahead with a full bid unless it can win more than 51 per cent of the bank.

The Dutch group may have gone further than before in stating its intentions and seems to have a better chance of acquiring the bank than any other shareholder.

For its part, ING regards BBL as the perfect vehicle to introduce "bancassurance" – the combining of banking and insurance services in one company – into the Belgian market.

With its 975 branches, BBL is seen as an attractive outlet for selling traditional insurance products to banking clients, mirroring what ING is trying to do in the Netherlands.

Abroad, BBL is an interesting partner for ING because of its presence in Africa, a legacy of Belgium's colonial past. ING's subsidiary NMB Bank, which this week was renamed ING Bank, has built up a strong reputation in emerging markets and in trading in third-world debt.

Yet until now ING has proceeded cautiously, fearful of political sensitivities in Belgium about one of the country's premier financial institutions falling into the hands of a Dutch concern from north of the border. ING was quick to say yesterday that if the takeover goes ahead, BBL will retain its identity and corporate culture while participating in the development of the Dutch group's overall strategy.

The bancassurance concept was the driving force behind the creation of ING in early 1991, when Nationale-Nederlanden, the biggest Dutch insurer, merged with NMB Postbank, the Netherlands' third-largest bank, to create a broad financial services group.

From the start, ING's intention has been to expand in Europe, and it has never disguised its interest in BBL.

Nevertheless, news of the deal was met with some scepticism on the Amsterdam Stock Exchange, where ING's shares fell to close at Fl 1.80 at Fl 42.2.

A BELGIAN court yesterday ruled that Accor, the French hotels group, did not have to reopen its FFr2.2bn ($458.3m) bid for Wagons-Lits, the Franco-Belgian tourism company, writes Andrew Hill in Brussles.

The judgment should draw some of the sting from last month's landmark court ruling forcing Accor to pay three groups of minority shareholders an additional FFr950m for their shares.

Accor is appealing against the August judgment, which established that the French company – together with Société Générale de Belgique – gained control of Wagons-Lits in June 1990, when they bought a 26 per cent stake at BFr12,500 a share. The bid was launched last October at BFr8,650.

The Brussels commercial court yesterday rejected institutional shareholders' attempt to reopen the bid, apparently dashing hopes that other investors might receive the increased price. Brokers had estimated the French company might have to pay an additional FFr1.6bn if the August ruling was extended to all shareholders.

Some analysts believe investors who can prove they held shares in June 1990 might still receive the extra cash. Accor had promised to extend the payout to shareholders "in a similar situation" if it finally loses the court battle.

The group of institutional shareholders defeated in yesterday's ruling could still appeal.

Hawker acquisition offsets BTR fall

By Richard Gourlay

BTR, the industrial conglomerate, yesterday reported a 7 per cent increase in interim profits as benefits from last year's £1.55bn acquisition of Hawker Siddeley offset a small fall from the group's old businesses.

Sir Owen Green, chairman, said acquisitions had provided an "oasis of opportunities" in the economic desert.

Mr Alan Jackson, chief executive, said BTR should be ready to make another acquisition next year. Recession would allow the group to "go after another large underperforming industrial company".

In the six months to end June, BTR's pre-tax profits rose from £512m to £548m on sales 33 per cent higher at £4.3bn. Earnings per share rose 1.7 per cent to 17.7p and the interim dividend is to be raised 3.3 per cent to 7.75p.

Without Hawker Siddeley, BTR's sales would have fallen about £100m and profits about £40m. This deterioration was almost entirely due to the "dreadful" construction sector, the company said.

BTR also used acquisition accounting to add another £160m of goodwill write-offs to the £270m of provisions set up last year. The latest write-off covered £110m of provisions, some for contingent liabilities, and a £50m adjustment to property values.

Miss Kathleen O'Donovan, finance director, said the latest provisions, would be the final ones relating to Hawker.

BTR's shares rose 19p to 425p.

Lex, Page 18
Management, Page 11

UCB expects growth to slow down in second half

UCB, the Belgian pharmaceuticals and chemicals group, expects slower profit growth in the second half of 1992 compared with the 43 per cent rise reported yesterday for the first six months, Reuter reports from Brussels.

"The second half of the year has not taken off too badly, but prudence incites me to say that growth will not be as high as in the first half," said Mr Georges Jacobs, UCB's chairman of the executive committee. Profits for the first half jumped to BFr1.49bn ($51.4m) from BFr1.04bn in the previous corresponding term. Net profit rose to BFr1.57bn from BFr1.01bn. The increase was due to the good performance in UCB's three sectors of activity, said Mr Jacobs.

The chairman said the target date for the approval of Zyrtec in the US remained early 1993, while he hoped to get the approval in Japan in 1994.

Mr Jacobs said UCB, which currently has 15 per cent of its sales outside Europe, aimed to double its non-European sales before the end of the decade.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

1/2 hour period ending	Provisional Price for Trading on 11.09.92: Pool purchase price £/MWh	Final Prices for Trading on 14.09.92: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.70	17.76	17.76
0100	17.70	17.70	17.70
0130	17.65	17.70	17.70
0200	17.65	17.69	17.69
0230	17.65	17.69	17.69
0300	17.65	17.69	17.69
0330	17.65	17.69	17.69
0400	17.65	17.69	17.69
0430	17.65	17.69	17.69
0500	17.65	17.69	17.69
0530	17.72	17.71	17.71
0600	17.75	17.70	17.70
0630	20.39	20.45	23.60
0700	21.84	20.35	23.50
0730	24.68	24.47	27.75
0800	24.59	24.71	27.98
0830	25.02	26.34	29.59
0900	28.06	28.01	31.28
0930	28.11	28.03	31.26
1000	28.13	28.03	31.22
1030	28.13	28.03	31.22
1100	28.14	28.02	31.21
1130	28.23	28.04	31.22
1200	28.25	28.04	31.21
1230	28.20	28.04	31.21
1300	28.09	28.03	31.22
1330	24.60	28.00	31.22
1400	24.58	28.00	31.23
1430	24.68	26.34	29.63
1500	23.60	26.16	29.34
1530	23.60	26.16	29.34
1600	21.66	28.00	31.24
1630	23.60	28.00	31.25
1700	24.54	25.05	28.21
1730	24.54	25.05	28.21
1800	23.60	25.05	28.21
1830	23.60	24.71	27.88
1900	23.60	24.36	27.53
1930	23.60	23.98	27.11
2000	26.63	23.93	27.12
2030	26.87	23.93	27.12
2100	26.87	24.17	27.35
2130	23.60	28.00	31.28
2200	23.60	28.00	31.30
2230	23.04	22.95	26.12
2300	21.84	22.90	26.07
2330	21.42	22.61	25.82
2400	20.60	22.61	25.63

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.56/MWh becomes 1.856p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by NGC Settlements Limited. Anyone wishing to receive such information should telephone 0602-456789 between 8:30am and 5:15pm Monday to Friday.

©NGC Settlements Limited 1992

Procordia buys Swedish Match for SKr1.37bn

By Robert Taylor in Stockholm

PROCORDIA, the Swedish food and pharmaceutical conglomerate jointly owned by Volvo and the Swedish state, announced yesterday it was acquiring for SKr1.37bn ($267.3m) Swedish Match, the world's leading match and disposable lighter manufacturer.

At the same time it also revealed that it was selling its sugar producing subsidiary for around SKr2.4bn to Danisco As, Denmark's sugar producing company, which will bring Procordia around Skr600m profit.

Swedish Match, which is owned by a consortium of international companies including Citicorp Venture Capital in London, will become a subsidiary of Procordia's tobacco and confectionery business, United Brands. It is hoped that the agreement can be finalised on 15 September.

Mr Klaus Unger, vice president of the company's United *Brands division, said yesterday* that the products of both businesses complemented each other and provided strong possibilities for co-operation in the European consumer market.

The purchase of Swedish Match will provide Procordia with a company that has an annual turnover of around SKr2bn and employs 4,400 people. As a result of the acquisition, the Swedish company's United Brands division will have a SKr8bn annual turnover, with nearly 10,000 employees.

Swedish Match was once run by the famous Swedish industrialist Mr Ivar Kreuger who shot himself after his empire collapsed in 1931.

Swedish Match has had several owners since it was bought in March 1988 by Stora, *the Swedish forestry group, for* SKr5.9bn. In November 1989 Stora sold Swedish Match consumer products, which *included Wilkinson Sword, for* SKr3.93bn to a group of international investors, including Gillette of the US.

As a result of this the Monopolies and Mergers Commission in the UK investigated the sale and ruled that Gillette had to undo the effect of the merger in the UK market.

Commenting on the sale of its sugar business – Sockerbolaget – to Danisco, Mr Goran Linden, Procordia's vice president, said that the deal would ensure a stable future for the Swedish sugar industry.

He added that the divestment was also in line with the company's strategy to divest itself of all but its core business in food, pharmaceuticals and *bio-technology. The acquisition will make Danisco the* fourth largest sugar producer *in Europe.*

Norwegian financial sector losses

By Karen Fossli in Oslo

NORWAY'S ailing financial sector has suffered losses on loans and guarantees of an estimated NKr80bn ($14.3bn) in the past decade, according to the Banking, Insurance and Securities Commission, the country's financial watchdog. The bulk of the sector's losses have occured during the last four years.

BISC's composite figures for the first half of this year – which cover commercial banks, savings banks, finance companies and credit institutions – indicate that the worst may be behind the sector with interest earnings showing signs of revival as costs are being reduced.

First-half combined net interest earnings rose to *NKr10.81bn from NKr10.39bn* last year as costs fell to NKr8.2bn from NKr9.2bn.

Last year was by far the sector's bleakest year with combined losses hitting a record NKr21.33bn; in other words Norway's financial institutions operated at a loss of NKr58m a day in 1991.

In the first six months of this year the sector's combined losses have been reduced to NKr5.3bn from NKr8.1bn in the same period last year. BISC believes, albeit with great caution, that this year's first-half losses may indicate that losses for the year as a whole could be lower than last year's record level.

"This is dependent on (Norway's) economic development in the second half. Experience shows, however, that losses have been greater in the second half than the first half," BISC warned.

The level of second-half credit losses is uncertain and the securities markets have developed more weakly as money-market rates increased sharply, it said.

From end-June 1991 until end-June this year the sector has reduced combined assets by an estimated NKr70bn to NKr740bn, or by 9 per cent.

Feud hits Yamatane restructuring

By Robert Thomson in Tokyo

THE restructuring of Yamatane Securities, the Japanese broker, has become complicated by a feud within the company's founding family and by an ongoing disagreement with the leading banks supposed to fund the restructuring.

Yamatane, which reported a Y25.4bn ($206.5m) net loss last fiscal year, confirmed yesterday that it would close a Swiss subsidiary specialising in equity-linked bonds, and said it is studying a plan to cut senior management staff by 40 per cent and total employees by 30 per cent.

But doubt remains over the fate of the broker's former chairman, Mr Tomiji Yamazaki, who is still on the board and has yet to relinquish his control over the company, in spite of repeated requests from the banks and from his family.

The Yamazaki family is at the centre of the unfolding drama that has embarrassed the securities industry. Japanese financial newspapers have provided daily reports on the feud between Tomiji and his brother, Seizo, who runs Yamatane Corporation, a warehouse operator and food distributor.

Some of Yamatane's problems are characteristic of those of other second-tier brokers, most of which reported losses last year. The company has been bruised by the fall in stock prices and turnover, and is now regretting its rapid expansion during the 1980s.

Yamatane was also investigated by the finance ministry for its role in the "tobashi" scandal, in which brokers shuffled stocks around client accounts to avoid booking losses. However, some of those clients discovered that they were left holding the losing stocks, leading to at least four legal actions against Yamatane.

In an attempt to return to profit this year, the company appealed to its main banks – including Sakura Bank and Mitsubishi Trust and Banking – to provide funds for a restructuring, and hinted that it would otherwise begin offloading its bank stocks. Sakura sent two managers to the company, but found that Tomiji Yamazaki continued to direct management decisions.

Mr Tomiji Yamazaki, who says renovating the company is his "responsibility", also appealed to his brother, Mr Seizo Yamazaki, for assistance, but the latter was dismayed by the scandal that the Yamatane name had attracted. Seizo's company, which has a 6.2 per cent stake in the broker, has its own profit problems, as the economic downturn has hurt the warehousing business and its property interests.

The Yamatane group was built by their father, Taneji. He dispatched the sons to separate companies in the belief that they would argue if put together, but they still managed to fall out.

The daily twists in the family saga and the broker's tortured relationship with the bankers have left its workers wondering if they will be among the first lay-offs at a leading Japanese company.

On Tuesday, Yamatane said that a new agreement was reached for reconstruction and on Wednesday, the pact was said to have fallen through. A *Yamatane Securities* spokesman said that "we really don't know what is going on at the top – it's difficult for us to tell from down here".

Sakura Bank, destined to play an important role in overhauling the troubled broker – in which it has a 4.9 per cent stake – said "negotiations are continuing".

Pinault sale raises FFr1bn

By John Thornhill

PINAULT has strengthened its financial position by concluding a FFr1bn deal with Crédit Lyonnais, opening the way for the investment bank to take a 20 per cent stake in the enlarged capital of the timber company which is being transformed into a retailer.

"This operation gives Financière Pinault supplementary financial means so that it can pursue its development," the company said.

The French press reported yesterday that Pinault might be interested in buying the French arm of the Habitat furniture chain which is owned by the UK Storehouse group. Such an acquisition could make a good fit with Pinault's existing Conforama furniture chain. But both sides declined to comment on the reports.

However, Ms Patricia Barbizet-Dussart, deputy managing director of Pinault, added that Pinault may use the additional funds to move into new areas away from retailing altogether.

Another financial priority for Pinault, which recently took over the Au Printemps retail group, has been to drive down its high level of debt which rose to FFr15.5bn after clinching the controversial acquisition at the end of last year.

Last month, Pinault succeeded in selling one of its original timber businesses, Isoroy, to the German Glunz group for an undisclosed sum and indicated that it was looking for other means of raising capital.

Clinvest, the investment arm of Crédit Lyonnais, will inject FFr1bn of new capital into Pinault's financial holding company, Financière Pinault, in return for its 20 per cent stake. The holding company's other main shareholders are Mr François Pinault – the group's aggressively entrepreneurial founder – and his family.

Clinvest already controls 7.55 per cent of the capital of Pinault and 7.42 per cent of its voting rights.

IBM and Apple offer cheaper ranges of personal computers

By Louise Kehoe in San Francisco

INTERNATIONAL Business *Machines* and Apple Computer are launching inexpensive personal computers aimed at individual and small business buyers in an effort to reclaim ground lost to "clones".

IBM made the first move with the introduction this week of 21 models incorporating different combinations of standard hardware and popular software.

All are expected to sell in the US for under $2500 (£1250). Apple will follow next week with the announcement of long anticipated "consumer" versions of its Macintosh personal computer, with prices expected to start at under $1000.

Slow growth in the corporate PC market has forced the companies to target PC buyers who pay out of their own pockets including home office professionals and small business proprietors.

The PC makers are broadening their distribution channels to include more retailers to reach these customers.

IBM is also expected to follow Compaq Computer by adopting the "direct" sales approach , by phone and mail. Smaller manufacturers such as Dell Computer have found this method successful.

IBM's new PS/1 desktop models and PS/note portables are the first to come from the its newly autonomous PC division, announced last week, called the IBM Personal Computer Company. The new PS/1s are grouped into three areas aimed at different types of users.

This is in line with the increasing segmentation of the PC market.

IBM's Essential line is aimed at the person who buys for a small business. It will be sold in the US through office warehouse stores that sell a range of office supplies at discount prices.

The PS/1 Expert line is for the more sophisticated buyer who may already own a PC. It will make its debut in the special superstores selling computer equipment and accessories.

The PS/1 Consultant line, for people who work at home, will be sold in department stores such as Sears and Montgomery Ward.

IBM's expansion into retail distribution follows a similar move this week by Compaq Computer, which announced that its budget-priced computers, introduced in June, will be available in US superstore chains. Similarly, Apple Computer is renewing its efforts in the retail channel.

For IBM, the PS/1s are the first step in an overhaul of its PC products.

Later this month it will *unveil new Premium systems,* updating its current PS/2 product line for corporate customers. Also planned is a Value Point line of PCs to be sold through direct mail as well as an expanded line of portable computers.

IBM's competitors, however, are not standing still. Dell Computer plans to expand its mail order services to include a broad range of products from other manufacturers.

Everex Computer, another US PC maker, in a move that indicates that the PC price war is far from over, slashed its prices this week by up to 50 per cent on some models.

Nat'l Semi advances in first quarter

By Louise Kehoe in San Francisco

NATIONAL Semiconductor, the US semiconductor chip manufacturer, reported slightly higher than expected first-quarter earnings and a 15 per cent increase in sales.

Net earnings for the quarter were $21.9m, or 17 cents per share, compared with a loss of $168m, or $1.64 per share in the same period last year when the company took a restructuring charge of $149.3m as it consolidated manufacturing operations. Sales for the first quarter of fiscal 1993 rose to $472.4m from $411.0m in last year's first quarter.

"Earnings for the first quarter reflect on-going improvement in profitability as we continue our business turnaround activities," said Mr Gilbert Amelio, president and chief executive.

"We have now had four consecutive quarters of profitability."

As part of its worldwide manufacturing realignment, National recently completed the transfer of one of its most advanced production lines to Greenock in Scotland.

The company said that its manufacturing lines are now working at approximately 79 per cent of capacity, up from about 70 per cent a year ago.

National said that the normal seasonal slowdown in business over the summer months was smaller than usual.

New orders booked during the quarter were up substantially over the previous year's first quarter.

"*Although we have seen* some improvement in the semiconductor market, there are still few clear signals regarding trends in the worldwide economy," Mr Amelio said.

Bertelsmann net income up 6%

By Andrew Fisher in Gütersloh

BERTELSMANN, the German publishing, music, and commercial television group, has made a favourable start to its current financial year and expects its earnings growth to surpass the 6 per cent rise in net income to DM570m ($407.1m) it managed in 1991-92.

Mr Mark Wössner, chief executive, *said*: "We are satisfied with the development so far in 1992-93." He expected turnover and profits to rise by around 10 per cent.

Turnover in the financial year to June 30 1992 rose by 10 per cent to DM16bn, of which 38 per cent was achieved in the buoyant domestic market. Operating profits were 16 per cent higher at DM1.4bn before *start-up costs on new projects* of DM310m – sharply up from DM183m – and tax.

Mr Wössner said the jump in these costs partly reflected the need to take full ownership of a Berlin publishing venture after the death of *Mr* Robert *Maxwell, whose Maxwell Communications* was a partner in the project.

Bertelsmann has also been investing in newspapers in east Germany, the Premiere pay-TV channel in Germany, and new music labels in the US and UK, as well as expanding its book club activities. It has also begun a new business magazine, Capital, in France.

Mr Siegfried Luther, the finance director, said most of the turnover increase came from existing businesses and around 2 per cent from new ventures such as newspapers in Dresden and Berlin. Cash flow was 8 per cent higher at DM1.3bn and net indebtedness down considerably from DM363m to DM43m.

In the US, where Bertelsmann owns RCA music and the Doubleday, Dell, and Bantam publishing operations, Mr Wössner said economic weakness had affected business. "Our profits are under strength there," he said.

The Doubleday book club *was now in profit after heavy* losses. In publishing and recording, Bertelsmann was investing heavily on restructuring and business growth. North American turnover is 22 per cent of the total.

Group investments rose to DM2.8bn from DM2.2bn, although Mr Wössner said spending would come down to around DM2.5bn this financial *year. The group* defines its investments to include marketing efforts to recruit new book and music club members, as well as licensing rights and fees for new publications and recordings.

The company also announced a move to make its DM725m of interest-bearing participation certificates more attractive. These carry no vote and are quoted. Bertelsmann will give up its rights to buy these back at historical values lower than today's market prices in return for greater flexibility in fixing the terms of future issues.

Bacardi stake confirmed

By Philip Rawstorne

BACARDI, the Bermuda-based international rum company, yesterday confirmed that it has agreed to make "a significant investment" in the Martini & Rossi vermouth and wines group.

As reported in the Financial Times, the two companies intend to combine their drinks portfolios and distribution networks to form a powerful new grouping in the industry.

J.P. Morgan, Bacardi's financial adviser, said:" This transaction will give the two groups reciprocal access to their distribution networks around the world."

Apple moves to cut manufacturing costs

By Louise Kehoe

APPLE COMPUTER is to restructure its worldwide manufacturing operations with the loss of 345 jobs. The US personal computer manufacturer will take a pre-tax charge of about $20m against earnings in the current quarter to cover the costs of the changes.

In order to lower its manufacturing costs and deliver products quicker to customers, Apple will shift some manufacturing operations closer to the markets they serve.

"By combining our manufacturing and distribution activities, we will be able to respond to customer needs quickly and efficiently, while significantly reducing our manufacturing costs," said Michael Spindler, Apple president.

In Europe, Apple will cut about 45 jobs at its plant in Cork, Ireland, as a result of "cost efficiency measures". This is despite plans to shift some assembly work currently performed at Apple's Singapore plant to Cork.

Apple said it will also open a new facility in Apeldoorn, the Netherlands, in December 1992, to provide system configuration and direct shipping services for the European market.

In the US, Apple will close its manufacturing plant in Freemont, California, and shift part of this operation north to Sacramento, where it plans to open a distribution *facility*.

Singapore will become a final assembly operation for Japan, Australia, and Asia. Apple will transfer final assembly for the US and Europe to those regions.

Teltschik appointed to head BMW division

By Andrew Fisher

BMW, the German luxury car company, has appointed Mr Horst Teltschik, the former foreign policy adviser to Chancellor Helmut Kohl, to its management board to head a new department handling environmental, transport, and trade issues.

Mr Teltschik, 52, played an important role in helping to shape policy ahead of German reunification in October, 1990, before leaving to become head of the foundation which controls Bertelsmann, the big publishing, music, and electronic media concern.

The foundation concentrates on cultural and political research programmes. He will leave the foundation to join BMW in January.

His appointment reflects a growing awareness among German car companies of the need to develop a more comprehensive, co-ordinated, and far-sighted policy on international issues which affect their business, but are not directly connected with manufacturing.

Coles Myer pays more on modest earnings rise

By Bruce Jacques in Sydney

COLES Myer, Australia's biggest retailer, has declared a scrip issue and higher dividend after a modest rise in earnings and sales in the year to July.

The company is making a five-for-four scrip issue and lifting the effective annual scrip-*adjusted dividend to 17.33 cents* a share from 16.44 cents, after net profits edged ahead to A$370.7m (US$266.6m) from A$368.2m.

Sales rose 1.6 per cent to A$15.18bn from A$14.94bn and Mr Peter Bartels, chief executive, said the company's performance in the early weeks of the current year gave cause for optimism.

"In maintaining our profitability this year we were significantly assisted by reduced debt, lower interest rates and excellent cost control at the corporate level," he said.

Mr Bartels said the company had reduced its total debt in the year by 39.5 per cent to A$807.5m in the year from A$1.34bn. With cash proceeds from the sale of New Zealand-based Progressive Enterprises during the year, net debt was reduced by 65 per cent to A$433.4m.

Net interest expense was down from A$167.0m to A$88.1m.

Among the group's best performers was its core department store division, lifting pretax profits to A$163.1m from A$157.8m, but supermarket earnings fell to A$179.0m from A$199.3m. K mart earnings dived to A$94.5m from A$155.7m.

The result followed a tax provision of A$200.4m (A$201.1m previously) and depreciation A$277.2m (A$255.8m).

INTERNATIONAL COMPANIES AND FINANCE

Goodman Fielder results hit by property write-offs

By Bruce Jacques in Sydney

GOODMAN Fielder Wattie, Australia's biggest food group, has maintained a resurging operating performance with a 7 per cent rise in net profits, before special items, from A$100.8m (US$72.5m) to A$108.1m in the June year.

But bottom line earnings were hit by a A$58.6m special loss, against a A$9.4m profit previously, reflecting property write-downs and rationalisation costs.

The result came on a small rise in sales to A$4.21bn from A$4.13bn and the dividend is being held at 11 cents a share.

Mr Michael Nugent, chief executive, said the result was achieved in spite of intense competition in Australasian markets which make up 66 per cent of the company's total business. "The programme that began two years ago to focus on core businesses, to sell non-performing and non-strategic assets, cut debt and reduce overheads is showing through in the improved quality of pre-tax and pre-abnormal earnings and the strengthened balance sheet.

"In the past two years we have increased earnings before interest and tax by more than 25 per cent, sold more than A$440m worth of assets, cut interest costs, increased operating profit before tax by about 50 per cent, reduced net debt by A$272m and improved gross cash flow per share by 7.4 per cent. Directors are aiming to achieve a minimum growth in net profit after tax, before abnormal items of 15 per cent in the current year and believe this would represent a significant improvement given the prevailing economic conditions."

The company's biggest earning division remained baking and milling, although its net contribution fell 13.6 per cent to A$85.1m. Among the best improvers, the food ingredients division lifted its contribution by 64.7 per cent to A$41m.

Citic Pacific profits soar 950%

By Simon Davies in Hong Kong

CITIC Pacific, the Hong Kong-listed arm of the Beijing foreign investment company, has announced a 950 per cent leap in earnings for the six months to June to HK$439.5m (US$56.9m), compared with HK$41.8m a year earlier.

The main impetus was the first-time inclusion of profits from its 12.5 per cent stake in Cathay Pacific and Citic's wholly-owned motor trading group Dah Chong Hong.

Profits growth was achieved through substantial purchases funded by new shares, but even on a per-share basis, Citic achieved 114 per cent growth to 39.2 cents, from 18.3 cents.

Cathay Pacific achieved a 13 per cent increase in earnings at the interim stage. Citic's other airline business, 46 per cent owned Dragonair, saw strong growth as a result of the booming business environment in China, where it has the majority of its routes.

Dah Chong Hong's car sales in Hong Kong showed limited improvement, but Citic's China connections enabled it to expand in the mainland.

Telecommunications traffic between Macao and China increased by 32 per cent, helping to engineer "remarkable growth" for Citic's 20 per cent owned Macao Telecom.

The results should improve in the second half of the year as they will include a full contribution from 100 per cent of Dah Chong Hong. Citic owned only 35 per cent of the company in the first three months of 1992.

The company recommended an interim dividend of 8.2 cents, up from 6.8 cents in 1991.

Fletcher to sell stake in NGC unit

By Terry Hall in Wellington

FLETCHER Challenge, the New Zealand industrial group, yesterday said it will sell at least a third of its wholly-owned subsidiary Natural Gas Corp to Australian Gas Light.

A further third is to be sold to the public, raising about NZ$305.2m (US$165m). The news failed to spark interest in Fletcher Challenge shares which, still under pressure, fell a further eight cents to NZ$2.14 yesterday, largely because of its perceived debt problems.

Analysts said NGC's sale had been signalled and taken into account in assessing the company's outlook.

Fletcher Challenge had intimated in March last year its intention to sell a large stake in NGC.

The company was extensively restructured over the past 18 months to facilitate a sale of this type. While an overseas company was expected to buy a significant stake, the identity of a possible buyer had never been disclosed. NGC is the main distributor of gas to both commercial and domestic consumers in New Zealand.

AUSTRALIAN Gas Light Company (AGL), the Sydney-based gas utility, is holding its annual dividend at 14 cents a share writes Bruce Jacques in Sydney. This follows a 6 per cent rise in earnings before abnormals to A$58.4m (US$42m) for the 12 months to June from A$55.1m a year before.

The result followed a 6 per cent advance in sales to A$896.2m from A$844.9m. Borrowings were reduced by A$193m to A$559m in the year, mainly through a A$116m rights issue.

Mr Jack Davenport, chairman, said the company was continuing an orderly disposal of its property interests, with proceeds of A$52m in the year.

He said the purchase of a large stake in Natural Gas Corporation for up to A$139m was consistent with AGL's strategy of growth in industries it knows best.

Santos advances to A$64m despite lower oil prices

By Bruce Jacques

SANTOS, the onshore Australian petroleum producer, has defied lower prices with a 91 per cent rise in net earnings for the first half to June.

The South Australian-based company lifted net profits to A$64.1m (US$46.1m) from A$33.6m a year earlier, on a 15.8 per cent rise in sales to A$360.0m from A$310.8m.

The interim dividend is being raised to 10 cents a share from 9 cents.

The directors said the average oil price received by the company eased to A$26.95 a barrel from A$27.54, but this was offset by an 8.4 per cent advance in sales volume to 16.8m barrels of oil equivalent. Santos' net debt increased to A$784.8m from A$755.0m, they said.

ACP magazine group shows profit after listing

AUSTRALIAN Consolidated Press, a recently listed magazine group controlled by Mr Kerry Packer, the Australain businessman, yesterday unveiled net profits for the four months to June 30 of A$20.0m, on sales of A$127.5m, AP-DJ reports from Sydney.

The four months cover the period since the company bought the magazine assets from Mr Packer's family company. Earnings per share emerged at 11.5 cents and a dividend of 8.6 cents a share was declared.

The company noted that the net profits were 7.3 per cent better than the A$18.6m forecast at the time of the share issue.

The dividend was in line with the prospectus forecast.

Earnings up 27% at Hysan

By Simon Davies

HYSAN Development, one of Hong Kong's largest property investment companies, achieved net profits of HK$514m (US$66.5m) in the six months to June, 27 per cent higher than the HK$404m reported in the same period in 1991.

Earnings were buoyed by the sale of its 50 per cent stake in the Pacific Centre, San Francisco, and by the HK$124m exceptional profit from the sale of Royal Garden, Hong Kong.

Analysts said rental income increased by about 13 per cent from last year.

The company is to raise the interim dividend to 28 cents from 23 cents.

Dutch bank launches Ecu note programme

By Tracy Corrigan

DE NATIONALE Investeringsbank, the Dutch banking group with strong links to the government, has set up an Ecu500m Euro-medium-term note programme, in a move to expand and diversify its funding base.

The programme will be used to "tap the international capital markets on a more systematic basis" than in the past, said Mr Peter van der Lugt, a member of the DNIB board of managing directors.

The bank's borrowing programme is set to increase from Fl 2.5bn ($1.57bn) this year to more than Fl 3bn in 1993, as its balance sheet grows. In addition, demand from the bank's corporate clients for loans denominated in dollars has increased its need for foreign currency borrowing.

In future, about half of the bank's funding will be sought in the international capital markets, through the MTN programme and Eurobond offerings.

The programme, arranged by Morgan Stanley, has been rated AA plus by Standard & Poor's and Aa3 by Moody's.

Last year, prior to seeking a debt rating, the bulk of the bank's Fl 2bn funding was in the domestic private placement and bond markets, and in the Japanese and Swiss private placement markets.

Australian Airlines reveals loss

AUSTRALIAN Airlines, the government-owned carrier, yesterday unveiled a fall into net losses after abnormal items of A$48.36m (US$34.70m) for the year to June 30, from profits of A$65.99m the previous year, Reuter reports from Sydney.

Mr Ted Harris, chairman, said the result reflected an extraordinary operating environment exacerbated by the continuing impact of the recession on air travel.

There had been a "bizarre discounting war" during the year, driven by recessed economic conditions and a serious oversupply of seats in the domestic airline market.

Australian Airlines, to be sold to the government-owned international Qantas Airways for A$400m on September 14, booked an abnormal loss of A$30.16m, compared with an abnormal gain of A$106.60m last year.

The abnormal loss in the latest year was mainly due to provisions for employee redundancy costs and diminution of carrying value of certain aircraft engines and spare parts.

The airline said an extraordinary expense of A$978,000 was booked for costs incurred in preparation for privatisation.

Sales rose by A$140m to a record A$1.52bn.

"The company again was burdened by excessive debt to equity," the airline said. Interest expense was A$86.8m, down from A$98.72m last year, while the gearing ratio was 85.9/14.1 debt to equity, compared with 81.1/18.9 last year.

LEGAL NOTICES

EARNSHAW HAES & SONS LIMITED
EARNSHAW HAES NOMINEES LIMITED
EHS NOMINEES LIMITED

NOTICE IS HEREBY GIVEN that the creditors of the above named companies, which are being voluntarily wound up, are required on or before 9 October 1992 to send in their full forenames and surname, their addresses and descriptions, full particulars of their debts and claims, and the names and addresses of their solicitors (if any), to the undersigned Rodney Gavin Owen, KPMG Peat Marwick, Slatire Court, 20 Castle Terrace, Edinburgh EH1 2EO, the Liquidator of the said companies, and if so required by notice in writing by the said Liquidator, are, personally or by their solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Date this 7th day of September 1992.
RG Owen
Liquidator
Note: This notice is purely formal. All known creditors have been or will be paid in full.

LET'S GET IT RIGHT!

If you have a complaint about an item in this newspaper which concerns inaccuracy, intrusion, harassment or discrimination, write to the editor about it.

If you're still dissatisfied you can write to the Press Complaints Commission, an independent organisation established to uphold an editorial Code of Practice for the Press.

THIS NEWSPAPER ABIDES BY THE PCC's DECISIONS

PCC

1 SALISBURY SQUARE
LONDON EC4Y 8AE
Telephone 071 353 1248
Facsimile 071 353 8355

This space has been donated by the publisher

INTERNATIONAL CAPITAL MARKETS

Dealers braced for second Eurobond issue withdrawal

By Richard Waters and Tracy Corrigan

THE Eurobond market was yesterday facing its second aborted issue in as many days, as the lead manager to Pta10bn of floating-rate notes from the European Investment Bank came close to calling off the deal.

Banco Bilbao Vizcaya, the lead manager, said it was "90 per cent certain" the issue would be pulled following Wednesday's announcement of the ending of the tax exemption which made the bonds of the EIB and other multilateral agencies particularly attractive to Italian investors. Around 60 per cent to 70 per cent of the bonds placed so far had been sold in Italy, the BBV said, adding that more than half of the total issue had been sold before the Italian announcement.

INTERNATIONAL BONDS

The move to call off the deal was held over, however, after an unexpected report late in the day that the peseta issue might still benefit from the tax exemption. A final decision has been delayed until today, when bankers and the issuer hope to have more information about when the tax change officially comes into effect.

BBV said that it had warned banks involved in the Pta10bn deal not to trade the bonds since the issue was likely to be abandoned.

Meanwhile, a second EIB issue, to raise Y50bn, was not launched as planned yesterday as the bank and its lead managers, Morgan Stanley and *Long Term Credit Bank*, awaited further clarification of the Italian tax change.

These delays follow Golman Sach's decision on Wednesday to call off a $384m issue for Osprey Mortgage Services, a *rare mortgage-backed deal* from Sweden. Turmoil in the Swedish markets was blamed for the postponment, even though the issue was announced some hours after this week's upheaval first hit the Scandinavian markets.

The disruption in the Eurobond market left bankers querying the circumstances in *which lead managers exercise* their powers to call off bond issues under the standard, broadly-worded *force majeure* clauses contained in most Eurobond documentation.

Such powers have been *rarely used: proposed issues* from BAT when it was under threat of takeover and a Robert Holmes à Court vehicle at the time of the 1987 stock market crash are the only recent examples.

Decisions on whether or not to abandon issues have been complicated by the development of the swaps market. *Swap transactions do not carry force majeure* clauses, meaning that they cannot be abandoned if the underlying bond issue to which they are linked is pulled. In such cases, banks could face a loss when unwinding *the swap. Goldman would not* say whether the Osprey deal had been swapped before it was postponed.

The pulling of deals has reawakened concern over how *force majeure* clauses are applied. The subject has stirred little interest since the Gulf war but at that time no Eurobond issues were abandoned.

A *bank close to one of the* deals said yesterday: "It makes sense to pull a deal, rather than try to be macho and carry it off when no one wants it."

● The Province of Ontario is preparing to launch its second global bond offering, totalling at least $1.5bn. Goldman Sachs and Merrill Lynch have been mandated to arrange the offering of five-year, seven-year or 10-year bonds, which is likely to be launched next week.

Ontario launched its first global bond offering, a $2bn issue of 7¾ bonds due 2002, in May. That deal is now trading *at a yield spread of 60 basis* points, relative to the US Treasury market. However, the spread has widened because the issue is now trading at a premium to par of more than six points. A new global offering would likely be priced at a tighter spread.

Ontario, Canada's largest province in terms of economic *activity and population, has* raised C$5.9bn of its 1992-93 borrowing requirement, expected to total C$9.7bn.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Daiwa Intl Finance(a)†	104	(a)	100	2002	2/1¼	Daiwa Bank Capl Mngt
Eurofima(b)‡†	50	(b)	100.325	2002	0.325/0.125	SBC

‡Floating rate note. †Final terms. a) Coupon pays 6¼% until 24/9/1997, then 65bp above 6-month Libor. Subordinated issue. Callable on 24/9/1997 or thereafter. b) Coupon pays 2.65% below 3-month D-Mark Libor, payable quarterly in US Dollars. Minimum coupon 5⅜%. Fungible with existing $200m issue launched on 13/10/92.

Traders confused by new Italian tax arrangements

By Tracy Corrigan

THE arrangements for the Italian government's abolition of withholding tax exemption for Eurobonds issued by supranational institutions, announced as part of Wednesday's economic package, remained unclear yesterday, creating some confusion in secondary market trading of Eurobonds issued by the World Bank and European Investment Bank.

Until now, Italian residents holding Eurobonds issued by agencies of which Italy is a *member have not paid withholding tax*.

The decree will be published today. Dealers hope the following areas of uncertainty will be clarified:

● The Italian authorities specified that the loss of tax-exempt status would not apply to holders of existing bonds, but it was not specified whether *tax-exempt status is lost once* bonds are traded in the secondary market.

However, sources close to the Italian Treasury said yesterday that the tax-exemption would continue to apply to all issues launched prior to the tax change, even if they changed hands.

● While the original wording of the tax changes suggested that the loss of exemption would apply only to supranational agencies – the World Bank, the EIB, the European Coal and Steel Community and the European Atomic Agency – it appears possible that the wording of the decree will include Italy, and some Italian-backed agencies such as Ferrovie, which benefit from tax-exempt status.

In the domestic market, these borrowers are subject to 12½ per cent withholding tax, so such a change would appear logical.

● The effect on the active repo (repurchase agreement) market in World Bank and EIB Eurobonds is unclear. Banks and investors outside Italy *have been able, through the* repo market, to benefit from the tax-break for Italian investors. For example, a London-based bank sells a World Bank Eurobond to an Italian investor at 99, and agrees to buy it back at 98, the lower price representing the repo rate.

Until now, the loss has been deductible as a business *expense for Italian investors*, but this tax break could also be changed in the decree. In this case, the Italian tax exempt repo market would be hurt by the disappearance of both the benefits of tax exempt status, and the tax deductible loss.

A slight rally in prices in EIB and World Bank issues yesterday reflected expectations that the tax change would not be backdated. However, volume was thin, as few traders felt inclined to deal ahead of publication.

Speculation over Bundesbank meeting temporarily lifts markets

By Antonia Sharpe in London, *Patrick Harverson in New* York and Bernard Simon in Toronto

SPECULATION, later denied, that the Bundesbank was due to hold an emergency meeting, and hopes of a revaluation of the D-Mark sent European government bond markets higher yesterday.

However, bond prices slipped back late in the afternoon on comments by Mr Otmar Issing, the Bundesbank board member, in defence of the central bank's use of a target for M3 money supply growth and its efforts to reach that target.

GOVERNMENT BONDS

Trading was volatile due to uncertainty about the implications of this week's events in Sweden and Italy, and due to continued weakness in the lira in spite of central bank intervention. Activity concentrated in futures, although dealers *reported demand for the* French 30-year government bond.

■ GERMAN bunds and futures continued on their upward path, as investors sought ref*uge in D-Mark paper*. The December bund contract touched a high of 89.49 in afternoon trading after opening at 89.13 on London's Liffe.

■ ITALIAN government bond prices eased in the morning as dealers took their profits after the previous day's late gains, but recouped their losses as the day progressed.

The December future fell 30 basis points to 92.12, in quieter trading, with 16,422 contracts traded, compared with more than 25,000 the previous day.

■ ON the Matif futures exchange in Paris, the September OAT bond futures contract closed at 106.60, up 0.50 in active volume of 141,948 lots, while the December contract closed at 107.04, up 0.52 on volume of 33,445 lots. At the long end of the government bond market, the 8½ per cent 2023 bond rose 0.99 to 97.27 to yield 8.75 per cent.

■ UK GILTS and futures had a *more comfortable day, in spite* of sterling remaining below DM2.79.

The 11¾ bond due 2003/07 rose ⅜ to 114⅝ while in the futures market, the December contract rose ½ point to 97.02.

■ SWEDISH government bonds were supported by aggressive buying by domestic institutions and the yield on the two-year 199 bond fell to 13.88 per cent from 14.15 per cent. However, there was a flattening of the yield curve at the longer end.

■ THE Spanish government bond market failed to participate in the generally firmer mood, concentrating instead on its domestic economic problems. The yield on the 10-year 10.30 per cent bond rose to 12.65/69 per cent from 12.51/55 per cent.

■ US Treasury securities eased slightly at the long end of the market yesterday morning as the flood of new corporate debt depressed prices.

By midday the benchmark 30-year government bond was down ⅛ at 99⅞, yielding 7.257 per cent. However, the two-year note was unchanged at midsession, at 100⅞, yielding 3.817 per cent.

Almost $6bn of new corporate debt has been issued this week, and not only did the large influx of corporate supply lure investors away from Treasuries, but some underwriters *reportedly sold government* securities to hedge their corporate deals.

Consequently, prices in the Treasury market came under pressure both yesterday and Wednesday.

The only economic news yesterday was an 8,000 rise in weekly state unemployment claims. The figures were roughly in line with market expectations, and had little impact on prices.

■ A sliding Canadian dollar has led to a steep decline in Canadian bond prices in recent days.

Prices of long-term government bonds dropped about 1.25 points yesterday morning, bringing their fall to over 2 points since the start of the week. The 30-year bond was yielding 8 per cent at noon.

Mr Barry Calhoun, chief bond trader at Toronto-Dominion Bank, said that the pressure was confined mainly to foreigners selling into a thin market.

The spread between Canadian and US bonds, a key indicator of the attractiveness of the Canadian market, has widened from 72 basis points at the beginning of this month to 91 points. The Bank of Canada *was expected to raise its bell*wether bank rate later in the day for the first time in 19 weeks. The Bank rate was set last week at 4.93 per cent.

■ TRADING in Japanese government bonds was thin ahead of today's publication of the Bank of Japan's quarterly survey. The yield on the 145 10-year government bond ended at 4.84 per cent, one basis point lower, as dealers covered short positions late in the afternoon.

Dealers expected the *Tankan* to be negative, showing a build-up of inventories, a drop in business confidence and more evidence of a liquidity squeeze. However, they added that the survey was of historical importance and that the bond market was more likely to be influenced by the stock market, which saw the Nikkei break above 19,000 yesterday.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	107.9731	+0.345	8.80	8.81	8.32
BELGIUM		8.750	08/02	99.1000	+0.060	8.89	9.01	8.99
CANADA *		8.500	04/02	108.2000	-1.600	7.29	7.23	7.17
DENMARK		9.000	11/00	96.6000	+0.150	9.61	9.80	9.47
FRANCE	BTAN	8.500	03/97	96.9415	+0.314	9.33	9.45	9.35
	OAT	8.500	11/02	97.8500	+0.800	8.81	9.00	9.01
GERMANY		8.000	07/02	101.6850	+0.140	7.78	7.91	8.03
ITALY		12.000	05/02	90.8450	-0.255	14.21†	13.97	13.54
JAPAN	No 119	4.800	06/99	100.3850	-0.062	4.73	4.89	5.05
	No 145	5.500	03/02	104.2682	+0.203	4.84	4.97	5.18
NETHERLANDS		8.250	08/02	100.0800	+0.220	8.23	8.33	8.38
SPAIN		10.300	06/02	87.0750	-0.650	12.65	12.38	12.04
UK GILTS		10.000	11/98	100-19	+10/32	9.81	9.55	9.54
		9.750	08/02	102-28	+14/32	9.29	9.30	9.32
		9.000	10/08	100-18	+23/32	8.94	9.05	9.09
US TREASURY *		6.375	08/02	100-11	-2/32	6.33	6.53	6.45
		7.250	08/22	99-29	-2/32	7.26	7.38	7.29
ECU (French Govt)		8.500	03/02	94.3800	+0.430	9.41	9.50	9.41

London closing, *New York morning session. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.) Prices: US, UK in 32nds, others in decimal. *Technical Data/ATLAS Price Sources*

John Govett launches funds

By Tracy Corrigan

JOHN GOVETT Unit Management has launched four authorised futures funds, adding to the limited range of UK unit trusts investing in derivative instruments.

The Securities and Investments Board opened the door to unit trusts investing in derivative instruments more than a year ago, but only two companies, John Govett and Legal & General, have so far taken advantage of the new regulations, which many market participants have criticised as too restrictive.

Up to 10 per cent of the assets of futures and options funds (Fofs) can be invested in derivative products, while the riskier geared futures and options funds (GFofs) can have up to 20 per cent of their assets in futures and options.

● ED&F Mann has raised $220m in year to end July, in joint venture futures funds in various countries, including non-unit trust futures funds in the UK, in conjunction with Providence Capital.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on September 10

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	108¼	109¼		4.47
ALBERTA PROVINCE 9 3/8 95	600	112½	112½	-⅛	5.08
AUSTRIA 8 1/2 00	400	112	112¾	-⅛	6.40
[illegible]					
WORLD BANK 5 03	150	85	86	+⅛	7.01
WORLD BANK 7 01	600	101⅜	101⅝	+⅛	6.77
YEN STRAIGHTS					
AUSTRIA 4 3/4 94	30000	100⅞	101¼		4.06
CREDIT FONCIER 5 1/4 94	20000	101½	102	+⅛	4.53
DENMARK 7 95	40000	105⅞	106¼		4.34
EIB 4 5/8 94	40000	101⅞	102⅛	-⅛	3.43
ELEC DE FRANCE 5 5/8 96	20000	103	103½	-⅛	4.80
FINLAND 6 3/4 96	50000	105½	105⅞		5.00
INTER AMER DEV 7 1/4 00	30000	111⅝	112		5.36
KANSAI ELEC PWR 4 5/8 94	60000	100⅜	100⅝		4.37
NIPPON TEL & TEL 5 7/8 96	50000	103⅜	103⅞		4.86
NORWAY 5 1/8 95	50000	101⅛	101⅜		4.43
SNCF 6 3/4 00	30000	108⅞	109⅛		5.28
SWEDEN 5 5/8 95	20000	102½	103		4.72
WORLD BANK 6 3/4 00	50000	109½	109⅞		5.18

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	95	96		10.05
COPENHAGEN TEL 8 3/8 96 LFr	600	98⅛	99⅛		9.27
[illegible]					

CONVERTIBLE BONDS	Issued	Cnv. Price	Bid	Offer	Prem.
[illegible]					
GOLD KALGOORLIE 7 1/2 00	65	1.0554	93¼	94¼	+39.23
HANSON 9 1/2 06 £	500	2.5875	98¾	99¾	+32.91
HAWLEY 6 02 PREF	400	19.1	107¾	109¾	
HILLSDOWN 4 1/2 02 £	150	3.97	121¾	122¾	
LAND SECS 6 3/4 02 £	84	6.72	76¼	77¼	+43.70
LASMO 7 3/4 05 £	90	5.64	74	75¼	
MITSUI BANK 2 5/8 03	200	2332.6	73¼	74¾	+29.71
MOUNT ISA FIN 6 1/2 97	100	2.283	100¼	101¼	+10.84
OGDEN 6 02	85	39.077	85¼	86¼	+72.44
SEGA ENTERPRISES 3 1/2 96	200	13018	101¼	102¼	+42.89
SMITH & NEPHEW 4 02 £	90	1.775	125¼	126¼	+67.96
SUMITOMO BANK 3 1/8 04	300	3606.9	70¾	71¾	+32.83
TEXAS INSTRUMENTS 2 3/4 02	300	82¾	95¼	96¼	+83.87
THORN EMI 5 3/4 04 £	103	7.16	120¼	121¼	+28.37

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day.
FLOATING RATE NOTES: *Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn = The current coupon.*
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. *Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.*

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	65	1	9
Other Fixed Interest	14	0	1
Commercial, Industrial	242	281	898
Financial & Property	109	116	574
Oil & Gas	26	11	48
Plantations	2	0	7
Mines	30	28	90
Others	55	20	40
Totals	543	457	1,667

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price p	+or-
10	Nil	7/10	7pm	6pm	‡‡Malaya	6pm	
30	Nil	14/9	1½pm	¼pm	Novo	¼pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Issued by way of capitalisation. † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ‡ Issued in connection with reorganisation, merger or takeover. pm Price at a premium. ¶ Units comprising 4 Ords. and 7 Zero Div Prefs. and 4 Stepped Pref shares. ‡ Units comprising 5 Ords. and 1 Warrant.

TRADITIONAL OPTIONS

● *First Dealings* Sept. 1
● Last Dealings Sept. 11
● Last Declarations Nov. 26
● For settlement Dec. 7

3-month call rate indications are also shown on this page.

Calls in Crown Eyeglass and Mirror Group. Puts in Kalon, Tarmac, Tiphook and Zambia Copper Invs. Doubles (Puts and calls) Gestetner and Royal Insce.

LIFFE EQUITY OPTIONS

Option		Calls Nov	Feb	May	Puts Nov	Feb	May
BAA (*655)	600	74	85	99	5	14	18
	650	37	52	66	22	32	37
Unilever (*941)	900	59	79	97	8½	19	23
	950	25	46	67	28	38	43
British Gas (*230)	220	11	16	22	1½	9	11
	240	1½	8	13	11½	20½	23
Brit Aero (*203)	180	35	43	44	13	20	23
	200	24	33	35	24	30	35
	220	15	24	26	38	47	48
Dixons (*198)	180	18	30	34	3	7	11
	200	4½	17	24	8	16	20

Option		Calls Sep	Dec	Mar	Puts Sep	Dec	Mar
Eurotunnel (*360)	330	35	56	70	4	18	26
	360	20	40	53	16	30	42

Option		Calls Oct	Jan	Apr	Puts Oct	Jan	Apr
Alld Lyons (*552)	500	64	74	85	3½	10	13
	550	26	40	52	16	25	30

[illegible]

Sept 10 Total Contracts 26,423
Calls 14,802 Puts 11,621
FT-SE Index Calls 5,042 Puts 5,847
Euro FT-SE Calls 145 Puts 297
*Underlying security price. † Long dated expiry months. Premiums shown are based on closing offer prices.

TRADITIONAL OPTION 3-month call rates

	p		p		p		p		p
■ INDUSTRIALS	p	Charter Cons.	40	Ladbroke	17	Sears	7	■ OILS	
Allied-Lyons	43	Comm Union	42	Legal & Gen	27	SmKl Bchm A	34	Aviva Pet	12
Amstrad	4	Courtaulds	33	Lex Service	18	TI	50	BP	18
Astec (BSR)	9	Eurotunnel	32	Lloyds Bank	31	TSB	11	Burmah Castrol	39
BAT Inds	54	FKI	6	Lonhro	9	Tesco	17	Conroy Pet	6
BOC	49	FNFC	6	Lucas Inds	10	Thorn EMI	51	Gaelic Res	½
BTR	32	Forte	17	Marks Spencer	22	T & N	11½	Premier Cons	2½
Barclays	24	GKN	31	Midland Bank	30	Unilever	70	Shell	33
Blue Circle	18	Gen Accident	38	NatWest Bank	22	Vickers	12	Tuskar Res	½
Boots	34	GEC	17	P & O Dfd	33	Wellcome	70	■ MINES	
Bowater	56	Glaxo	55	Racal Elect	6	■ PROPERTY		RTZ	39
Brit Aerospace	30	Grand Met	29	RHM	14	Brit Land	17		
British Steel	6	GRE	13	Rank Org	42	Land Sec.	32		
BT	25	Hanson	15	Ratners	2½	MEPC	24		
Cadburys	32	ICI	78	Reed Intl	41				

RTZ shares rebound on 3% rise to £295m

By Kenneth Gooding, Mining Correspondent

SHARES IN RTZ, the world's biggest mining company, yesterday rebounded by 22p to 514p after the group reported a 3 per cent improvement in pretax profits for the first half of 1992 and said it would maintain its interim dividend at 6p.

RTZ's shares fell 19p in heavy trading on Wednesday after investors became jittery because of unexpectedly poor results from English China Clays, the world's largest producer of china clay.

RTZ's pre-tax profit rose from £286m to £295m. Net attributable earnings, which RTZ suggested is the most relevant measure of its performance, was also up by 3 per cent, from £154m, or 15.6p a share, to £158m, or 15.8p.

Mr Bob Wilson, chief executive, said that, while the group's balance sheet remained very strong, it would have sent the wrong message if the dividend had been increased.

No improvement in metals prices or trading conditions was expected in the second half-year, nor was there any indication that 1993 would be anything but flat. He said there would be no dividend increase until RTZ could see clearly the chance of a significant improvement in market conditions and earnings.

The marginally better performance, in spite of lower metals prices, reflected £26m of extra volume, mainly from new projects coming into production, and tight cost control.

Gearing was reduced from 27 per cent to 25 per cent but capital expenditure was down only slightly, from £149m to £147m.

In the face of difficult economic conditions RTZ continued to press for efficiency improvements and there was a 3 per cent, or net 2,000, reduction in its world-wide workforce.

The UK operations have been particularly badly hit with a reduction of 6,000 or 20 per cent of the workforce at RTZ Pillar since the begining of the recession in 1989.

Group turnover was virtually unchanged at £2.28bn (£2.27bn). An extraordinary loss of £30m was recorded on the recent sale of a 51.5 per cent interest in Rio Algom of Canada.

See Lex

Laing fall restricted to 11% and dividend maintained

JOHN LAING yesterday brought a brief moment of cheer in a chill week for construction companies which has seen three of its larger rivals announce dividend cuts, writes Andrew Taylor.

Laing managed to restrict its pre-tax profits fall to just 11 per cent to £5.6m (£6.3m) and maintained its interim dividend at 3p.

This was covered by earnings per share of 4.5p (4.8p).

At the end of June the company had net cash of £10m, compared with borrowings of £13.2m at the same stage last year.

The share price rose 11p to 120p.

In the first half there was a small loss on housing in the UK and US. Both markets remained very difficult said Mr Martin Laing, chairman.

He criticised the government's failure to stimulate the economy, while the jobless total was mounting and construction companies were going into receivership.

● COMMENT

Laing's reputation as a quality contractor is not misplaced. The company has displayed an admirable ability to generate cash. It has been helped by some big contracts won in the late 1980s, when margins were higher, and which have still to be completed. The current order book is about 25 per cent lower than in June last year, which may not be a bad thing. It may indicate that the group is choosy about what work it takes on. Laing, like others, continues to struggle with housing. It says further provisions are not required at this stage, but much will depend upon whether house prices have finally reached bottom. The company, however, plans to take about £20m a year out of housing over the next three years. In the current year it may make £18m, which would put it on a prospective p/e of just over 8. One of the few companies in the sector which might just justify a buy recommendation.

Amec shares fall 10% on dive to £11m and halved interim pay-out

By Andrew Taylor, Construction Correspondent

AMEC yesterday became the third large UK construction company this week to cut its interim dividend.

The group is halving the payment to 2p following a first half pre-tax profits fall of 52 per cent, from £21.9m to £10.6m. Turnover fell by 9 per cent to just over £1bn.

Wimpey and Taylor Woodrow both announced dividend cuts earlier this week after incurring first half losses.

Amec's share price, which had fallen by almost two thirds since May, tumbled a further 10 per cent yesterday to 60p as fully diluted earnings per share slipped to 2.7p (6p).

The stock market, which had expected a dividend reduction was surprised by the announcement of an unexpected £12m loss on the company's Australian business. The losses included £5m of provisions against hotel, shopping and office developments in Sydney and Melbourne.

Sir Alan Cockshaw, chairman, said conditions in the Australian market were difficult due to previous over-building in the commercial sector.

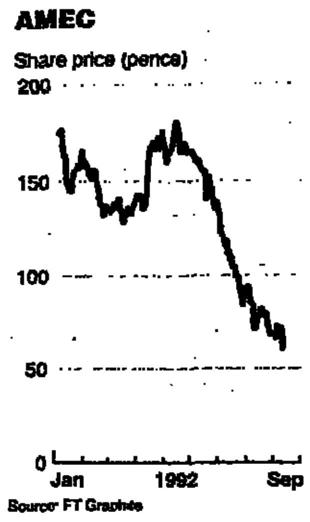
The company had cut its Australian workforce by half, which led to labour disputes resulting in cost over-runs on some developments. It was also proving difficult to persuade customers, themselves under pressures from the collapse of property markets, to pay bills.

Sir Alan said that the provisions were more than enough to cover any liability on the contracts and that the Australian business was expected to break even in the second half.

He said that the reverse had offset a resilient performance in the UK, where profits were roughly similar to those in last year's first half which "was an excellent performance in very difficult market conditions."

Mechanical and electrical engineering profits in the UK and Europe, helped by acquisitions and settlement of claims, jumped from £12.4m to £22.1m.

Against this, building and civil engineering profits, reflecting difficult conditions in UK commercial and industrial property markets, were more than halved from £11.6m to £4.7m. Housebuilding and property development incurred a loss of £2.3m (£1.3m).



Source: FT Graphite

The US, where the group has been cutting back its mechanical and electrical operations in depressed oil and gas markets in Louisiana, saw losses increase to £1.9m (£1.3m).

The company had a net cash outflow of £60m in the period reflecting timing of payments, seasonal factors and lower turnover which left it with net cash of £15m at the end of June.

The group is continuing to cut costs where it can – the workforce is expected to be reduced by a further 10 per cent this year.

● COMMENT

Amec's worldwide mix of businesses, with its weighting towards mechanical and electrical engineering, had been considered to be better suited than many of its rivals for riding out the construction recession. What these figures show is that no construction company is immune from the downturn. The complexity and higher value of m/e work means that when things go wrong it can be very expensive, as Australia shows. On the positive side, Amec has a stronger balance sheet and has shown a keen ability for generating cash from its businesses. With no sign of any recovery and fears that another Australia may be waiting to mug the group it is difficult to recommend anything more than a hold, notwithstanding its previously good cash management record. A pre-tax profit of £25m puts the shares on a fully diluted prospective p/e of 10.

Art side boosts Parambe

PRE-TAX profits of Parambe, the investment company, rose from £1,475 to £68,642 for the half year ended June 30.

Turnover of £152,619 (£103,815) was boosted by a sharp rise in works of art income from £28,574 to £107,627.

The interim dividend is a same-again 0.55p and is paid from earnings of 0.83p (0.02p). Net asset value per share at period-end amounted to 60.1p (57.2p).

Newey advances to £968,000 at halfway

Newey Group reported pre-tax profits up from £493,000 to £968,000 in the half year to June 30. Turnover amounted to £12.2m, compared with £14m.

Earnings per share emerged at 26.2p (11.6p).

The company is wholly owned by William PrymWerke of Germany.

Acquisition helps lift Bodycote 16% to £6.4m

By Paul Taylor

BODYCOTE International, the metal technology, packaging and textiles group, reported a 16 per cent increase from £5.52m to £6.4m, in pre-tax profits for the six months to June 30.

The increase partly reflected the acquisition in March of Industrial Materials Technology, which has two plants in the US, and IMT Europe, based in Belgium, from National Forge Company of Delaware.

The two acquisitions contributed about £600,000 to profits.

Despite the current economic conditions the group said all its divisions continued to trade satisfactorily, showing increases in both profit and turnover.

Turnover showed an advance of 14 per cent from £32.6m to £37.3m and earnings per share increased to 14.5p (13.4p).

The interim dividend goes up to 3.75p (3.5p).

The metal technology division, which now accounts for 62 per cent of group profits, is expected to continue to be the main source of future growth.

With nil gearing at present the group said the second half should show a healthy liquidity position, despite a £5.5m capital investment programme this year.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Berry Starquest, Elys (Wimbledon), Evered Bardon, JIB, United Biscuits.
Finals- Arcadian, Walker (Thomas).

FUTURE DATES

Interims-	
Acals	Sep. 18
Ashley (Laura)	Sep. 23
Central ITV	Sep. 25
Clayform Properties	Sep. 25
El Oro Mining	Sep. 30
Elswick	Sep. 22
Exploration Co	Sep. 30
Fired Earth Tiles	Sep. 18
Geest	Sep. 23
LGW	Sep. 19
MTL Instruments	Sep 17
Magnolia	Sep 17
Mayborn	Sep 17
Meggitt	Sep. 16
Oliver	Sep 17
Olives Property	Sep 18
Sanderson Murray & Elder	Sep. 17
Spandex	Sep. 17
Spirax-Sarco	Sep. 23
Starmin	Sep. 15
Tibbett & Britten	Sep 15
United Friendly	Sep 14
United Newspapers	Sep. 24
Final-	
Mucklow (A&J)	Sep. 22

Falling demand cuts Blue Circle to £42.7m

FIRST HALF pre-tax profits of Blue Circle, Britain's biggest cement manufacturer, fell by a quarter, from £57.5m to £42.7m, as demand for building materials continued to fall faster than companies could cut costs, writes Andrew Taylor.

Profits from UK cement, concrete and aggregates during the six months to June 30 fell from £20.4m to £12.3m. The company said that, despite rationalisation, UK cement plants were still working at only 75 per cent capacity.

The fall in profits would have been greater but for stronger performances from the US, Chile and Aalborg in Denmark.

Profits from domestic products, bathrooms, boilers and radiators, were only slightly lower at £23.1m (£23.4m).

The group, as it promised in June when it raised £241m in a rights issue, is maintaining the interim dividend at 3.75p although this is uncovered by earnings of 3.5p (6.2p) in the first half.

The rights issue cash, which cost shareholders 200p a share, has been used to buy Celsius, the French manufacturer of domestic heating products. Yesterday Blue Circle's share price was unchanged at 134p.

The effect of the Celsius purchase will be to reduce the proportion of the group's domestic products sold in the UK from 80 per cent to 60 per cent, said Mr Jim McColgan, Blue Circle's chief executive.

He said that worldwide turnover from cement and domestic products rose from £530.8 to £539.7m in the first half. This was despite a 10 per cent fall in UK cement volumes.

In the US cement, concrete and aggregate profits rose from £1.3m to £1.9m, helped by higher volumes and previous cost-cutting. In Chile, cement profits rose from £6.1m to £9.4m.

Unfortunately, there was no sign of any recovery in UK markets for either cement or domestic products, according to the chief executive.

Volume sales of home products had fallen by 6 per cent in the first half. The success of the sector was closely tied to the fortunes of the housing market, said Mr McColgan. About 60 per cent of bathroom sales were prompted by people moving home.

Net debt at the end of June stood at £190m compared with £306m at the end of December. Lower interest paid on UK cash deposits however meant that overall interest charges rose slightly from £10.2m to £12.6m.

Gearing at the half year, if £90m of convertible bonds is included as debt, was 27 per cent.

● COMMENT

The current over-capacity in Blue Circle's cement operations is worrying and points to further plant closures and redundancies unless sales pick up – which is unlikely. Cement volumes are expected to fall by about 8 per cent this year. The outlook for domestic products also looks uninspiring given the importance of a healthy housing market to sales. Many continental European markets also are suffering, although not as much as in the UK. Profits of £105m would put the group on a prospective p/e of about 15 times. Certainly not a buy, and the shares could go even lower in the current climate.

Cadbury beats forecasts with £126m

By Guy de Jonquières, Consumer Industries Editor

CADBURY SCHWEPPES, the confectionery and soft drinks company, increased pre-tax profits by 13 per cent from £112m to £126m in the six months to June 13, helped by a strong performance in American beverage markets.

The company said the result, which exceeded analysts' forecasts of about £120m, was achieved despite difficult economic and trading conditions in all its main markets and the weak dollar.

The adverse impact of exchange rates in the second half was expected to affect full-year results by 4 per cent.

Mr Dominic Cadbury, chief executive, said the company was "cautious but confident" about the outlook for the second half; much would depend on trading over the Christmas period.

He expected confidence to recover earlier in the UK among consumers than among retailers, who had responded to recession by tightly controlling stock levels.

The company confirmed that it had looked at the French mineral water assets which the European Commission was forcing Nestlé to sell, but said the price was unrealistically high.

Sales in the first half rose to £1.47bn (£1.42bn). Earnings per share of 10.27p (10.16p), reflected dilution due to the recent share issue.

Trading profit in the Americas rose 51 per cent to £25.6m (£16.9m), helped by the acquisition of Aguas Minerales in Mexico, a reorganisation of US operations and improved productivity at the Mott's juice business.

However, confectionery profits fell by 2 per cent.

In the UK, trading profit rose to £61m (£51.8m). A late surge in demand due to good weather helped the Coca Cola-Schweppes Beverages joint venture raise profits by 63 per cent, while confectionery benefited from strong Easter sales. However, chocolate sales volumes fell 4 per cent in a declining market.

In the rest of Europe profit declined by 32 per cent to £20.7m (£30.5m), reflecting tougher competition in beverages in France and and poor weather Spain.

Cadbury also increased marketing expenditure in confectionery in response to product launches by Nestlé.

The contribution from the Pacific Rim contracted 12 per cent to £25.2m (£28.7m) on an 8 per cent drop in sales, reflecting poor weather in Australia and tougher conditions in Japan.

Rising drinks sales in South Africa raised profit in the rest of the world to £8m (£6.9m).

Net debt, at £491m, was £25m lower than a year earlier. The interim dividend is raised to 3.3p (3.2p).

See Lex

Walker creditors' meeting adjourned for two weeks

By Maggie Urry

MR GEORGE Walker, former head of the Brent Walker property and leisure group, survived another round in his fight to avoid bankruptcy yesterday when a meeting of his creditors was adjourned for two weeks.

Creditors have put in claims exceeding £150m. Mr Walker has proposed a voluntary arrangement which he said would give creditors more than they would receive under bankruptcy.

It would require a 75 per cent majority, by value, of creditors to accept Mr Walker's proposal.

Mr Michael Colman, of Harkavy's, Mr Walker's solicitors, said that creditors representing £40m of debts, just over 25 per cent, had indicated opposition.

Mr Raymond Hocking, an insolvency partner of Stoy Hayward, who was appointed by the court to investigate Mr Walker's proposal and who would supervise the voluntary arrangement if agreed, had decided that the voting was too close to put Mr Walker into bankruptcy yesterday.

He is to spend the next two weeks examining the claims again to decide exactly how the votes should split between creditors.

Under the voluntary arrangement, Mr Hocking has estimated the creditors could recoup £14.7m whereas only £96,767 would be available if Mr Walker was declared bankrupt.

Mr Walker has promised to give half his after tax income from his new job, as chief executive of a company recently incorporated in the CIS, to creditors for the next three years. He expects an income in 1993 of £100,000.

He has also pledged his 1.5m shares in Brent Walker and shares in two private companies, two properties, his one-sixth share in an apartment in Switzerland, and the proceeds of a legal claim in France expected to produce £14.5m.

He has promised that any other assets he had would go to creditors as well, such as the proceeds of claims against Brent Walker which would not proceed if he was declared bankrupt.

Mr Walker said his house in Essex was in his wife's name because it had been a wedding present from her father in 1964, when it had cost £3,000.

Mr Walker said that the creditors which opposed the arrangement were the banks – including TSB Bank, Standard Chartered, Lloyds, Svenska, Credit Suisse and Hill Samuel – which were also the main bankers to Brent Walker.

He said he thought these banks opposed the arrangement because they believed he was lying about his assets.

In the proposal put to creditors he said that any material non-disclosure would be a ground for default on the arrangement and the supervisor or any creditor could then present a bankruptcy petition against him.

Glaxo's export sales advance 31% to £837m

By Paul Abrahams

SIR PAUL GIROLAMI, Glaxo's chairman, was in expansive mood yesterday as he announced a 12th year of rapid growth in profits and sales.

The £700m increase in turnover was greater than the sales of the whole group less than 10 years ago, he pointed out. Meanwhile, the group's exports from the UK increased 31 per cent from £641m in 1991 to £837m in 1992.

Such growth was impressive said Mr Ernest Mario, deputy chairman. This was particularly true when Zantac, the world's best-selling drug, was losing market share. The drug, with sales of £1.81bn, represented 44 per cent of group sales, and this percentage would fall as the product continued to mature, said Mr Mario.

Sales of Zantac, an anti-ulcer drug, nevertheless, increased 13 per cent (9 per cent at constant exchange rates). In the US sales were up 13 per cent in local currency.

Mr Mario said the increase in Zantac sales was partly the consequence of an expansion of the US salesforce by 500 representatives in anticipation of the licensing of Imigran, a migraine treatment also known as Imitrex. While waiting for the drug to be licensed, they were marketing Zantac.

Sales of respiratory drugs increased 24 per cent to £964m, representing 24 per cent of group sales. Sales of Ventolin, an asthma medicine, increased 15 per cent at constant exchange rates. Sales of another asthma drug, Becotide, also known as Beconase, increased 26 per cent.

Revenues from Serevent, a long-acting asthma drug and one of Glaxo's most promising medicines, increased from £9m to £37m. Mr Mario said this was in spite of the fact it had not yet been launched in five of the 10 largest pharmaceuticals markets – the US, Japan, Germany, France and Spain.

Antibiotics, representing 17 per cent of group sales, increased 12 per cent to £681m. In the US sales grew only 2 per cent at constant exchange rates because of pricing pressures, said Mr Mario.

Sales of Zofran, a drug used to prevent nausea in patients receiving radiation and chemotherapy, increased from £181m to £259m. The company is hoping to receive a licence for use with post-operative patients.

Imigran, Glaxo's controversial migraine drug, had sales of £43m. Mr Mario said he was pleased with the patient acceptance of the drug, which is yet to be licensed in the US, Japan and Germany.

See Lex

Enterprise first-half plunge to £34.6m gets market welcome

By Neil Buckley

SHARES IN Enterprise, the UK independent oil company, yesterday jumped 19p to 317p, in spite of the company's announcement of a near-halving of after tax profits from £60.3m to £34.6m in the first half of 1992.

The company blamed the twin effects of recession and weak sterling oil prices for the fall. But the net income figure was close to the top end of analysts' forecasts, and with a maintained dividend of 6.5p, prompted a recovery in the share price. The shares had lost 13p in the last two days on fears of a dividend cut.

Mr Graham Hearne, chairman and chief executive, also said the company was on track almost to double its daily oil production to more than 260,000 barrels a day by 1995.

Enterprise is developing a number of North Sea fields to add to the 20 already producing. The two biggest, the Scott and Nelson fields in the northern North Sea, are due to come on-stream late next year and in 1994.

The company will also benefit from its interests in the Elf Enterprise joint venture, whose Piper, Saltire and Chanter fields are due to begin producing next year.

Production in the first half of 1992 rose by 5.9 per cent to 135,500 b/d, but a drop in average oil prices from £12.13 a barrel to £10.59 caused turnover to fall from £244.4m to £239.5m.

Net interest income also fell, giving an capital expenditure increase to £133.4m from £116.9m.

Despite the increase in spending, however, gearing dropped to 46 per cent from 49 per cent at the end of last year, due largely to a successful $172m US preference share issue. Earnings per share fell from 13.2p to 7.9p.

● COMMENT

Barring disaster, Enterprise should almost double its oil production by 1995 and is comfortably financed. Its management also has a reputation for prudence and shareholder loyalty, which has helped the share price to hold up in an otherwise severely depressed exploration and production sector. Moreover, with Enterprise expected to run large cash-flow surpluses from the mid-1990s, patient shareholders should be rewarded by strong dividend growth. In the shorter term, the expected sale of its stake in the Hudson field for about £25m will be required if full-year forecasts of about £74m are to be achieved, while increased costs and expenditure may reduce earnings and raise gearing next year. But Enterprise is in a better position to maintain its dividend than, say, rival Lasmo. At a yield of 6.7 per cent, Enterprise is still seen as the stock to be in in the E&P sector.

Speculation rises over disposal of Habitat

By John Thornhill

FRESH SPECULATION that the Storehouse retailing group was considering selling its Habitat business circulated yesterday after a French newspaper reported that Au Printemps was interested in buying Habitat's French arm.

Storehouse has suggested in the past that it might dispose of Habitat if a suitable buyer could be found but declined to comment on the report. Au Printemps, the French retailer owned by the Pinault group, also refused to comment.

Analysts expressed surprise that Storehouse should consider selling Habitat France individually – given that it was the most profitable part of the furniture business – but suggested that any sale could realise up to £100m.

Ms Julie Ramshaw, retail analyst at stockbrokers Morgan Stanley, said: "I do not believe that Habitat has a long term future with the group but I do not think there is any urgency about selling it."

See Page 25

Dixons sees mild recovery

By John Thornhill

Mr Stanley Kalms, chairman of Dixons, yesterday confirmed anecdotal evidence of a mild recovery in UK consumer spending by telling shareholders that the electrical retailing group had shown a "more positive trend" in sales since early July.

However, he said there had been no significant changes in the group's other businesses, which span property development in Europe and electrical retailing in the US.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Amec	int	2	Dec 31	4	-	10.25
Beattie (James)	int	1.4	Nov 2	1.4	-	5.75
Blue Circle	int	3.75†	Nov 26	3.75	-	11.25
Bodycote	int	3.75	Dec 31	3.5	-	9.25
British Mohair	int	1.4	Oct 23	1.4	-	8.5
Booker	int	7.5	Jan 4	7.5	-	21.75
BTR	int	7.75	Nov 26	7.5	-	16.5
Bunzl	int	1.8	Nov 20	1.8	-	4
BZW Conv Inv	fin	3.3	Oct 23	3.2	7.8	7.7
Cadbury	int	3.3	Nov 20	3.2	-	12.5
Coats Viyella	int	3	Jan 4	3	-	7
Emess	int	nil	-	0.65	-	1
Enterprise Oil	int	6.5	Nov 2	6.5	-	15.75
Erith	int	0.85	Nov 26	1.3	-	2
Ferrum	int	1.1	Jan 5	1.1	-	2.5
Glaxo	fin	11	Nov 13	9.75*	17	14
Gowrings	int	1	Nov 5	1	-	2
Hall Engineering	int	3.3	Oct 23	3.3	-	8.64
Laing (John)	int	3	Nov 13	3	-	9
London Forfait §	int	2.9	Oct 26	2.625	-	7.625
Matthews (B)	int	1	Oct 23	2	-	4.5
Ocean	int	4.71	Nov 2	4.71	-	14.33
Parambe	int	0.55	Oct 16	0.55	-	1.1
PCT §	int	2.5†	Nov 6	2.5	-	7
Pendragon	int	2.2	Oct 19	2	-	6
Porvair	int	1.2	Oct 21	1.1	-	3.3
Rathbone Bros	int	1.5	Nov 2	1.25*	-	5
Reece	int	nil	-	0.1	-	0.1
RTZ	int	6	Dec 14	6	-	19.5
Sema	int	1.1	Nov 2	1	-	2.6
Sev'field-Reeve§	int	nil	-	1	-	1
Shell Transport	int	9.3	Nov 2	8.9	-	20.9
Sirdar	fin	3.5	Nov 30	3.5	5.15	5.15
Wills	fin	0.1	Nov 6	nil	0.1	nil

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. *Equivalent after allowing for scrip issue

Emess passes dividend after 15% decline

By Roland Rudd

Emess, the lighting and electrical accessories company, has passed its interim dividend after a 15 per cent fall in pretax profits from £1.3m to £1.1m, for the half to June 30.

Mr Michael Meyer, chairman, said: "We will consider a payment of a final dividend in light of the full-year results."

Although the second half is traditionally the stronger period, Mr Meyer remained cautious.

He is pessimistic about the outlook for the US economy, which affects Alsy, the consumer lighting company. "Every month is a slog in the US," said Mr Meyer. "We are battling against an awful recession."

US losses fell slightly to £1.3m (£1.4m). Trading profits in the UK were unchanged at £4.1m.

Losses from the consumer lighting division rose to £1.1m (£800,000). Margins at its German business, Brilliant, continued to fall.

Trading profits at the commercial lighting division fell from £3.1m to £2.8m, and in electrical and graphics operations from £1.4m to £1.3m.

Borrowings were static at £33m, representing gearing of 57 per cent.

Coats Viyella ahead to £53m

By Daniel Green

TRADING CONDITIONS in the textiles and clothing industry remained "harsh", Sir David Alliance, chairman of Coats Viyella, Europe's biggest textiles manufacturer, said yesterday.

He warned he could not see a recovery in the UK until the summer of 1993 and that trading would be difficult in the rest of the world outside the US and Far East. The shares fell 10p to 155p.

The statement accompanied Coats' results for the six months to June 30 which showed higher operating and pre-tax profits following last year's acquisition of Tootal, the thread maker.

The acquisition helped push turnover from £877m to £1.02bn, while operating profits rose 37 per cent to £69.2m (£50.6m). However, rising debt and interest charges held profits at the pre-tax level to £52.9m (£48.1m).

The increased number of shares in issue as a result of the deal meant that earnings per share were unchanged at 4.3p. The interim dividend is held at 3p.

The Brazilian activities fell into the red, accounting for an overall loss of £700,000 for South America, compared with a profit of £6m. The company blamed high interest rates and inflation. It has spent about £3m in exceptional reorganisation costs in Brazil.

The benefits of the merger with Tootal came through strongly in North America, which showed a 65 per cent improvement in operating profits, from £12.4m to £20.4m. The company merged its industrial and consumer thread interests and has gained in market share and margin.

North America was also helped by improvements at Dynacast, the precision engineering business. Operating profits rose from £8.4m to £10.7m.

The UK also saw a sharp gain, from £9.4m to £19.1m, thanks to cost cutting, including the closure in April of a shirt factory in Northern Ireland.

● COMMENT

There are an awful lot of losses in Brazil for Coats Viyella. More restructuring costs are to come as the company switches production to Asia; Coats' sourcing of clothes from outside western Europe has risen from zero to more than 20 per cent in two years. Gearing is going in the wrong direction, the company is caught in an ACT trap, the UK economy is dreadful and cash flow is slow. Fortunately for Coats, the Tootal merger benefits are arriving and the US is producing cash. Next year, perhaps, a stronger dollar will make the US yet more valuable, help out over ACT and protect domestic markets a little. The company will be lucky to make £120m pre-tax for the full year, compared with £111m last year, and earn 11p a share for an above sector average p/e of 14.

Sema near to France Telecom link

By Paul Taylor

SEMA GROUP, the Anglo-French computing services company, yesterday announced an agreement under which France Telecom, the state-owned telecommunications company, would acquire a minority equity stake as part of an industrial partnership arrangement.

Mr Pierre Bonelli, Sema's chairman, was in London to announce the interim results. He stressed that the agreement was subject to approval by the French government, and details could not be announced until this had been granted

Sema is anxious to develop its telecommunications business, which accounts for just 7 per cent of turnover. It confirmed in July that it had been discussing a partnership with France Telecom. At the same time, Sema disclosed that Telecom was holding discussions with Paribas, the French bank which holds a 39 per cent stake in Sema.

If the agreement is approved, Paribas's shareholding is expected to be transferred to a holding company, which would be owned jointly by the bank and Telecom, but with Paribas as the majority shareholder.

Sema's interim results showed an 18 per cent increase in pre-tax profits to £7.73m (£6.57m) in the six months to June 30.

Mr Bonelli said the gain reflected improved profitability in several markets, where, despite difficult trading conditions, the strategy of focusing on systems integration had enabled Sema to increase its share.

Turnover from continuing operations in the core businesses of systems integration, facilities management and software products, rose to £195.4m (£177.4m), excluding £23.5m in the 1991 period attributable to the Sofres market research business, since sold.

The contribution from the systems integration business grew by 11 per cent to £149m (£134m) while facilities management turnover rose to £27m (25.6m) and products put in £19.4m (£18m).

Following the sale of Sofres, the UK is Sema's largest market. It accounted for 44 per cent of turnover in the first half.

Retained profits were boosted by the £15.4m after tax profit on the Sofres sale.

However, "significant cashflow improvements," together with the Sofres disposal, enabled Sema to remove all debt from its balance sheet and show net cash of £8m at the end of June, compared to £18m of net debt at the end of 1991.

Earnings per share increased to 5.3p (4.7p) from which Sema is paying a dividend of 1.1p (1p).

Mr Bonelli said Sema had managed to improve profitability in France, Spain and in its joint venture with BAe which was breaking even. Efforts to improve profitability in other areas, including the UK systems business, were continuing.

In addition he reaffirmed that Sema was hoping to finalise a partnership agreement shortly for its costly I-Line industrial software package.

The project, which is being developed by its German subsidiary, been consuming large amounts of research and development expenditure.

Ocean hit by falling demand for North Sea services

By Angus Foster

OCEAN GROUP, the freight, environmental and marine services company, yesterday reported a fall in pre-tax profits, from £23.2m to £20.8m in the six months to June 30.

The decline was mainly due to falling demand for offshore oil support services in the North Sea as oil companies cut spending.

This knocked operating profits from the company's marine services division, including the better performing tugs business, to £12.6m from £15.1m.

Mr Nicholas Barber, chief executive, estimated North Sea offshore activity was 25 per cent down, compared with 10 per cent in South-east Asia.

Freight and distribution maintained operating profits at £10.5m (£10.6m).

Environmental services, including UK waste disposal and US laboratory testing, saw operating profits fall to £1.6m (£2.1m) as both markets declined.

The company's interest bill started to rise again to £2.8m (£3.4m). First half capital expenditure was £32m.

Earnings fell to 9.4p (11.8p) but the dividend is maintained at 4.71p. The company's shares closed up 2p at 189p.

● COMMENT

As if depressed world trade and falling North Sea investment is not enough, Ocean now has to worry about the dollar's decline too. About 40 per cent of revenues are dollar related, either stemming from the US or from related currencies in South-east Asia. There was no marked effect in the first half, but if present rates continue there could be a £1.5m hit in the second half, even after taking into account the company's hedging strategy. The company rightly points to its mix of businesses and locations, which guarantee some respite from recession, and steps taken – in the US especially – to control costs and prepare for the upturn. Like everyone else, however, Ocean will just have to wait. Full year forecasts of £45m put the shares on a multiple of about 10. With currency worries flavour of the month, that looks about right.

Booker disappoints market with slight fall to £32.6m

By Maggie Urry

BOOKER, the food distribution and manufacturing group, yesterday disappointed the market when it announced a slight fall in interim pre-tax profits from £32.9m to £32.6m. The dividend is unchanged at 7.5p.

The shares fell 22p to 325p on the news. Mr Jonathan Taylor, chief executive, said there was no sign of an end to recession and trading conditions were "very tough". However, he regarded the figures as "reasonably robust".

The group was responding to conditions by cutting costs and improving efficiency. "We must see the environment of today as the one we confront tomorrow and the day after, and must size ourselves accordingly." Mr Taylor said.

During the period Booker increased its bad debt provisions by 36 per cent to £8.4m, though Mr Taylor said this had been done on a conservative basis. There were also some one-off costs such as £1m for closing a delivered food depot at Bishop's Stortford, Hertfordshire, although in total these were about £300,000 more than in the comparable period.

The figures covered the 24 weeks to Juhe 13, a change in the reporting period. In the six months to end-June, the old basis, pre-tax profits were estimated to have been £36m against £37.8m.

Group sales rose 4.2 per cent to £1.5bn and operating profits fell 1.6 per cent to £43.6m. The interest charge was £400,000 lower at £11m.

Pre-tax profits would have been £1.6m higher but for the weakness of the dollar. Profits were translated at $1.85 to the pound compared to $1.62 the previous year.

Pre-tax profits from the food distribution division fell from £15.5m to £12.7m. Catering customers in particular were hit by lower consumer spending. Since the period ended sales growth has weakened.

The agribusiness division, which includes chicken and turkey breeding, salmon farming, forestry and mushrooms, suffered a dip in profits from £9.7m to £9.4m.

The turkey business returned to profit, and an upturn in salmon prices is beginning to come through. However, the mushroom business had not recovered as much as hoped. There were delays in shipping product from Daehnfeldt, the seed business.

Profits from fish and prepared foods jumped from £7.1m to £9.1m. The factories were working at high levels of capacity and sandwich sales were good as people eating out traded down.

Earnings per share dipped from 11.56p to 11.34p as the tax rate increased from 21.6 per cent to 22.4 per cent.

Mr Taylor said that the group's borrowings should be lower at the year end than at the end of 1991, when gearing was 76 per cent.

● COMMENT

Booker deserves a small prize for broadly maintaining profits when some other food related groups are suffering declines, but the second half will be more of a test. Forecasters are picking £100m as a round number, against £103.9m last time, which would give a p/e of about 9.4. The yield on a maintained dividend is 8.9 per cent, although cover is a bit thin at 1.6 times. The rating is fair enough as things stand, but Booker's shares will never perform well until it shows it can turn its well-rehearsed potential into reality. A hard act in a recession, but one Booker should be doing more to perfect.

Orbicom seeks leave to trade

By Paul Cheeseright, Midlands Correspondent

ORBICOM, the Shrewsbury-based trading company which during 1990-91 made a number of deals in Russia, is seeking protection from its UK creditors through a company voluntary arrangement.

This device allows a financially wounded company, with the agreement of its creditors, to continue trading while it works its way out of debt.

Newland Mallett Garner Woodbury, the Bristol accountants, will on September 24 present a business plan to the group's creditors outlining how it intends to clear the £1.3m debt by the middle of next year.

Formed in 1990 by Mr Mark and Mrs Natalya Jones, Orbicom was engaged in the barter trading of Siberian liquid natural gas, the sale of Rover cars in Russia, joint ventures with Russian partners on the development of Yamal Peninsula oil and gas, the supply of medical equipment to Siberia and engineering projects in Moscow and Siberia.

Mr Jones yesterday attributed Orbicom's difficulties to the fact that "the Russians are not paying their way."

The company was hurt, he said, by the collapse of the Bank for Foreign and Economic Affairs in Moscow and of Orbicom's LNG business following the break-up of the Soviet Union.

But, he added: "We are not closing the company, we are not liquidating the company, we are not running away from our UK creditors."

Newland Mallett noted that the potential turnover of Orbicom's signed contracts in Russia was £22m, but "at the moment it is unlikely to achieve this turnover."

Orbicom's inability to extract funds from Russia has meant that its deal to buy 4,800 Montego cars from Rover for onward sale in the Siberian area of Tyumen fell by the wayside. Only 32 cars were delivered, Orbicom could pay for no more.

The Orbicom deal offered Rover a route into the Russian market. But at the Moscow motor show a month ago it said: "It seems unlikely that this opportunity will develop any further."

Rover said yesterday that it was exploring how to set up independent dealerships in Russia, but that it had no intention of setting up a manufacturing plant.

Orbicom's ability to satisfy its UK creditors seems to depend largely on an engineering contract which, Newland Mallet said, it had "brought back on line."

The accountants would not specify the contract, but previously Orbicom announced a joint venture with Moulinex Swan Holdings to build an electrical appliance plant in Tyumen and a Moscow city government contract for a waste recycling plant.

Brit Mohair slips to £1m at halfway

PRE-TAX profits of British Mohair declined from £1.18m to £1.02m over the half year ended June 30.

Turnover amounted to £19.5m (£18.5m) with exports accounting for £5.02m (£4.59m). Textiles continued to operate at reduced levels and profit margins were eroded. However, the engineering subsidiaries and other activities increased both turnover and profits.

Trading conditions in textiles were expected to remain difficult in the second half. But the directors said the improvement in profits from specialised engineering should be maintained and they expected group profits for the second six months to be similar to those of the first half.

Correction

Avonside/CSI

Cannon Street Investments has no stake in Avonside Group, the housebuilder it floated earlier this year. Yesterday's edition of the FT stated CSI had floated 69 per cent.

Imports hit Bernard Matthews

By Paul Taylor

LOW PRICE turkey imports from the European Community and US producers were blamed yesterday by Bernard Matthews, the Norfolk-based meat processor, for a 65 per cent drop in interim pre-tax profits.

In the 28 weeks to July 12 the group reported profits of £2.16m compared to £6.16m in the 1991 period, and halved its interim dividend to 1p (2p).

Turnover fell by 10.3 per cent to £65.7m (£73.28m) and earnings per share fell to 1.33p (3.33p).

Profits were also depressed by interest charges of £29,000 compared to interest receipts of £157,000 in the 1991 period. Mr Bernard Matthews, chairman, said the sharp reduction in profits was expected following his profits warning earlier in the year.

He said that following poor Easter sales the group was experiencing extremely difficult trading conditions, especially with sales of whole turkeys and turkey meat. "These difficulties are being caused by the very low prices offered on the UK market by both EC and US producers." Although the company has successfully launched a range of new value-added products, and is setting up a marketing organisation to introduce its branded products into other EC countries, Mr Matthews said that in the short term the UK market is likely to remain depressed. He warned that full year profits will probably be less than half those in 1991 when profits were £13.2m.

Severfield-Reeve dives into the red

Severfield-Reeve said that unrealistic pricing levels within the construction industry had forced the structural steelwork group into the red in the first half.

For the six months to June 30 a pre-tax deficit of £398,000 was reported on sales of £8.66m. That compared with a profit of £505,000 on sales of £8.84m.

Losses per share amounted to 2.65p (earnings 3.24p) and the USM-quoted group is passing its interim dividend – 1p was paid previously.

TLS Range cuts deficit to £0.08m

Losses at TLS Range, the USM-quoted vehicle rental group, were cut from £267,000 to £77,000 pre-tax for the half year ended June 30. Turnover was virtually static at £4.7m.

Net finance charges accounted for £543,000 (£736,000). Losses per share emerged at 0.5p (1.58p). There is again no interim dividend.

Increased demand and improved margins achieved in the first half were not maintained in July and August and further steps were taken to reduce overheads.

NEWS DIGEST

Recession balks rise at Sirdar

SIRDAR reported a 9.5 per cent rise in annual pre-tax profits, from £4.61m to £5.05m, but said that pronounced recessionary conditions in the final quarter meant that progress was not as good as had been expected.

Sales at the textiles company in the year to June 30 fell to £52m (£53.5m), but costs and overheads were cut to £46.2m (£48m) and interest payable declined to £910,000 (£1.15m).

An unchanged final dividend of 3.5p maintains the total at 5.15p on earnings per share of 5.85p (5.26p).

The company, which manufactures microporous plastics for clothing and industrial applications, moved from the USM to the main market in February.

Erith reports losses of £229,000

Despite "a further deterioration in the trading climate" Erith, the builders merchant, achieved a slight improvement at the pre-tax level in the six months to end-June.

Losses were £229,000, compared with £332,000 in the second half of last year and profits of £356,000 at the interim stage last time. Turnover fell by £657,000 to £33.5m.

The company said the promised uplift in demand for building materials following the general election in April had evaporated, while losses arising from bad debts had once again been a large cost feature, amounting to more than 2 per cent of turnover.

Losses per share came out at 0.34p (0.55p earnings) and an interim dividend of 0.35p (1.3p) is declared.

Lower interest costs push up Porvair

Reduced interest charges following February's rights issue were behind a 13 per cent pre-tax profits rise to £758,000 at Porvair in the six months to May 31.

The improvement, from £670,000, was scored from sales little changed at £7.86m. Interest costs accounted for £143,000 (£225,000).

The interim dividend is lifted to 1.2p (1.1p) on unchanged earnings per share of 4p.

Wills recovery continues

Wills Group, the engineering equipment distributor, continued its improvement following reconstruction.

After a return to profits of £154,000 at the halfway stage, the pre-tax figure for the year to June 30 came out at £519,000 on turnover of £15m.

In the 18 months to June 30 1991, a £1.49m loss was incurred on sales of £22.7m.

The board is proposing to return to the dividend list for the first time in four years with a final of 0.1p. Earnings were 0.77p basic (losses 17.7p) or 0.64p fully diluted.

Rathbone rises 24% and makes purchase

Rathbone Brothers, the banking and asset management group, reported interim pre-tax profits ahead 24 per cent. Mr Oliver Stanley, chairman, said that there had been a considerable increase in the funds under management.

The company, which moved up from the USM to a listing during June, is acquiring Hilbre Investment Management, which will add £80m to client portfolios bringing the total to £780m. The £1.31m consideration is being satisfied by shares.

Profits for the six months to June 30 were £2.02m (£1.63m) on turnover of £7.84m (£5.88m). Earnings were 8.03p (6.85p). The interim dividend is raised from an adjusted 1.25p to 1.5p.

James Beattie shows decline of 26%

James Beattie, the Wolverhampton-based stores group, suffered a 26 per cent fall in profits, from £2.37m to £1.76m pre-tax, for the six months to July 31.

The company blamed difficult trading conditions and a lack of customer spending. "The continuing and obstinate refusal of the economy to shake off the inertia of the last two years remains an abiding frustration," directors said. Turnover, excluding VAT, rose to £35.5m (£33m) reflecting increased selling space, but investment income fell to £1.04m (£1.38m).

Earnings were 2.51p (3.4p) per share. The interim dividend is maintained at 1.4p.

Commercial Bank of London falls 20%

Commercial Bank of London reported a 20 per cent fall in pre-tax profits, from £389,246 to £310,813, in the six months to June 30.

The result was struck on gross income down by £228,000 to £1.87m.

Tax took £102,000 (£136,000) leaving attributable profits of £208,813 (£253,246). Earnings came out at 20.8p (25.3p).

Reece tumbles £183,000 into red

Reece, the cycle manufacturer which also has interests in glass and brick making machinery, reported a pre-tax loss of £183,000 in the half year to June 30.

That compared with profits of £540,000 last time and came from turnover down from £6.93m to £6.56m. The company said that were it not for the acquisition of the distribution depots from Harding Group in the second half of last year, turnover would have fallen further still.

Cost-cutting measures resulted in a reduction in staffing levels from 259 to 218. Working capital was also being reduced with particular emphasis on stock reduction.

Losses per share came out at 0.14p (0.33p earnings). The interim dividend is passed – 0.1p was paid last time.

IBC returns to black after restructuring

International Business Communications (Holdings), the publishing and conferences company, returned to profits in the first half of 1992, the first figures to reflect the effects of restructuring in January.

On turnover slightly lower at £27.5m (£27.9m) pre-tax profits were £572,000, against losses of £2.44m. Operating profits rose 51 per cent to £3.28m (£2.18m) and interest charges fell to £1.28m (£3.57m) as a result of the restructuring.

Earnings were 0.2p (losses 1.9p). No dividend can be paid because of accumulated losses.

BZW Trust net assets decline

Net asset value per share of BZW Convertible Investment Trust slipped from 97.15p to 94.44p over the 12 months to July 31.

Available revenue amounted to £4.32m (£4.45m), equal to earnings of 8.54p (8.8p). A final quarter dividend of 3.3p makes a 7.8p (7.7p) total.

Ferrum declines sharply to £424,000

As forecast at the December year end, pre-tax profits of Ferrum Holdings, the engineering group, showed a marked decline, from £1.42m to £424,000, in the six months to June 30. Turnover fell from £24m to £19.2m.

In spite of the fall an unchanged interim dividend of 1.1p is declared. The company said that although the dividend was uncovered by earnings of 0.97p (3.82p) per share, it was well covered by cash flow.

Robinson Bros sees weak second half

Robinson Brothers (Ryders Green), the unquoted West Bromwich-based chemicals group, reported pre-tax profits of £736,000 for the six months to June 30.

The slight decline from the comparable £758,000 came on turnover of £12.9m (£12.1m). Directors described trading as "fitful" and anticipated a weaker second half.

Earnings per £1 share were unchanged at 25p.

European Project earnings fall

Net asset value per share of the European Project Investment Trust, now managed by Murray Johnstone, stood at 44.6p at June 30. That compared with 45.1p 12 months earlier and with 42p at the December 1991 year-end.

Available revenue for the half year to June 30 fell to £45,598 (£99,992), equal to earnings of 0.15p (0.33p). The trust, which is proposing a name change to Murray European Investment Trust, does not pay interim dividends.

Gowrings back in the black

Gowrings, the motor dealer and leisure group, swung from losses of £531,000 to profits of £172,000 pre-tax for the half year ended June 30.

The result was bolstered via an exceptional £170,000 credit (debit £150,000) representing a gain on the sale of a residential park in Oxfordshire.

Turnover reached £26.8m (£23.5m) with the motor contribution up at £23.5m (£20.3m) helped by a "significant" increase in new car sales.

The interim is maintained at 1p from earnings of 1.62p (losses 5.9p)

Acquisitions and exports lift PCT

A good export performance, together with the benefits of its acquisition programme, helped PCT Group advance 65 per cent in the first half to June 30.

Pre-tax profits at the USM-quoted group jumped from £560,200 to £925,000 on sales ahead from £9.39m to £10.7m. The group is involved in the marketing, hire and development of power tools and welding equipment.

The interim dividend is maintained at 2.5p on earnings per share of 7p (7.6p).

London Forfaiting well ahead

Pre-tax profits of the London Forfaiting Company rose from £6.61m to £8.42m for the six months ended June 30. Trading income improved by £2.98m to £10.9m.

Bank interest receivable and income from certificates of deposit totalled £1.92m (£4.38m) while interest payable was cut to £312,000 (£2.29m).

Earnings worked through at 6.41p (5.02p) and the interim dividend is stepped up to 2.9p (2.625p).

The company's shares are traded on the USM.

Bunzl on recovery road with 8.5% gain

By Roland Rudd

BUNZL, the paper and packaging group under new management for the last year, reported a 8.5 per cent increase in profits for the half year to June 30.

The rise in pre-tax profits, from £20m to £21.7m, was the first since 1988. A series of disposals led to a fall in sales to £619.2m (£693.4m).

Mr Anthony Habgood, chief executive, said: "This is the first solid step to the road to recovery. After a year we have rationalised the businesses, disposed of the margin companies and made a few selective acquisitions."

Trading profit before exceptionals increased to £27m (£26m) with margins rising from 3.7 per cent to 4.4 per cent.

Bunzl's biggest earner, the paper and plastics division, reported increased profits of £13.7m (£12.6m). A cost reduction programme in its key US subsidiary helped push margins up by 1.4 percentage points to 5.2 per cent.

Profits from fine paper fell from £8.5m to £7.6m. The group is expanding in Germany but the overall fine paper market is declining.

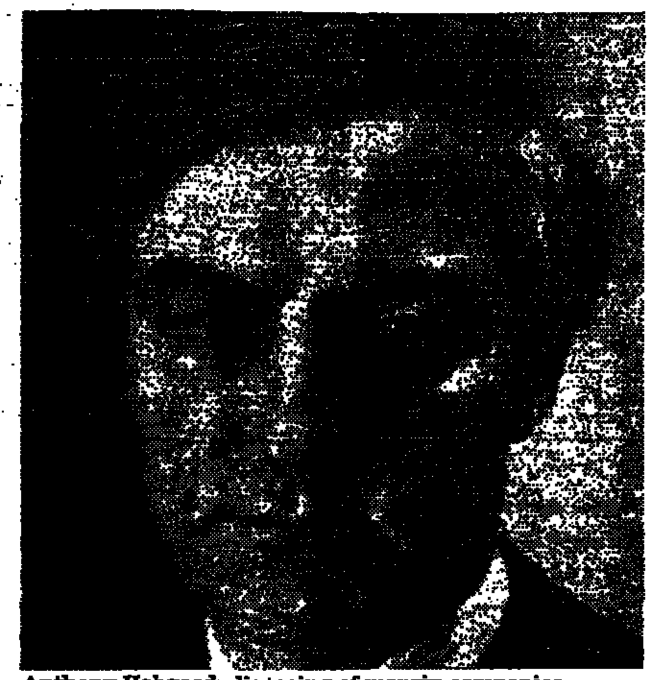
Building supplies profits were £1.1m (£700,000) helped by closing lossmaking plants. However, return on capital was 4.3 per cent, significantly lower than the double figures achieved by the other divisions. Mr Habgood said the business still had to prove itself.

Cigarette filters fell slightly to £4.1m (£4.2m). The division is to open a US plant next year.

Plastic products rose to £3.5m (£3m), as the improved performance from US businesses offset disappointing results in Brazil.

Borrowings over the year to June 30 were reduced from £126m to £97.7m, representing gearing of 47.8 per cent.

Earnings per share rose from 2.7p to 3.2p. The dividend is maintained at 1.8p.



Anthony Habgood: disposing of margin companies

● COMMENT

It is not often that a company which disappointed the City in the roaring eighties produces better-than-expected results in the difficult nineties. A well planned disposal programme has enabled the group to concentrate on its core-businesses. Mr Habgood has made it clear that the weakest parts of the group, such as building materials, remain on trial. In the meantime paper and plastics will continue to expand. With forecast pre-tax profits for the year of £44m, giving earnings per share of 6.5p, the shares, up 2p to 89p, are on a slightly higher than average prospective multiple of 13.5. This factors in the weak dollar, affecting a little more than half of pre-tax profits. It still does not look like a screaming buy but the potential to move forward means the shares are, at the very least, fairly valued.

Pendragon increases 7% to £2.17m despite disappointing car sales

By Angus Foster

PENDRAGON, the luxury and executive cars dealer, yesterday announced a slight increase in interim profits, despite disappointing sales of new and used cars.

Pre-tax profits increased 7 per cent, from £2.02m to £2.17m. However, this did not match growth in turnover, which was up 31 per cent at £101m (£77m) due to acquisitions.

Mr Trevor Finn, chief executive, said new car sales volumes were higher, but margins had fallen, while sales of used cars declined.

"People are buying, but there are very few emotional purchases taking place. It is all sensible, commercial buying," he said.

Business cars such as Mercedes Benz and BMW had increased sales. But luxury cars – where margins are higher – such as Rolls-Royce and Ferrari continued to be poor.

With customers delaying purchases, cars were getting older and requiring more after-sales service. This division increased its proportion of group revenues to 56 per cent, compared to 44 per cent two years ago.

Contract hire was flat at about 6 per cent of turnover.

Operating profits increased 15 per cent to £3.12m (£2.72m).

Higher borrowings to fund acquisitions pushed interest costs to £949,000 (£698,000). Mr Finn said borrowings would rise to between £8m and £9m by the year end, less than 30 per cent of shareholders' funds of £35.2m.

The interim dividend is lifted 10 per cent to 2.2p (2p) on earnings of 5p (5.9p)

Pendragon also announced the acquisition of two dealerships – one for Honda and the other for Aston Martin – for about £1.3m. The company now has 45 franchises, including two in Germany, compared to 23 two years ago.

Lower Exchequer Levy helps LWT rise to £14m

By Raymond Snoddy

DESPITE THE recession LWT (Holdings) increased pre-tax profits to £13.7m in the six months to June 30, an advance of 41 per cent on last time's £9.76m.

An important factor in the rise, however, was a £2.8m drop in Exchequer Levy. Profits before levy and interest increased by 9 per cent, from £20.8m to £22.7m.

Mr Christopher Bland, chairman, said the results reflected "higher advertising revenue, sponsorship and programme income and continued tight control of overheads, production costs and cash".

London, and LWT in particular, has been increasing its share of television advertising. In the year to July 1992 LWT's share was 12.024 per cent, compared with 11.775 per cent in the previous year with each 0.1 percentage point accounting for about £1m in revenue.

Mr Bland also said the company planned to write-off its £3.2m share of start-up costs on the London News Network and Good Morning Television against the profit and loss account.

LNN is the 50-50 joint venture with Carlton Television for a seven-day London television news operation. And LWT has a 20 per cent in GMTV, which takes over the commercial breakfast licence from TV-am on January 1.

LWT is also expected to sell its 5 per cent stake in Independent Television News when new shareholders are brought into the organisation.

Mr Bland expected "a satisfactory result for the year" although it remained difficult to predict advertising revenue, there being no real sign of an end to the recession.

A fixed preferred dividend of 1.969p was paid to holders of preference and management shares at the end of June. The next dividend at the end of the year will reflect the previously announced 50 per cent increase in the fixed preferred dividend.

The share price closed 13p higher at 254p.

Hall Engineering advances to £1.55m

DESPITE continuing difficult trading conditions in the UK and South Africa – its two main operating areas – Hall Engineering (Holdings) achieved a 33 per cent pre-tax profits advance to £1.55m in the six months to June 30.

Turnover of £64m compared with £79.4m.

Total borrowings rose but were still some £7m lower than at the corresponding stage last year following good cash generation in the the second half of 1991. This led to a fall of almost £1m in interest payable to £1.56m.

The company said the continuing predominance of profit from overseas had led to a build up of advance corporation tax which could not be set off against current mainstream UK tax.

While the amount paid remains available to be utilised, the company considered it prudent to write off a large part of this year's ACT costs against profits. This has led to an assumed rate of tax for the year of 55 per cent.

Earnings per share fell to 2.27p (2.69p) and the interim dividend is maintained at 3.3p.

Mr Richard Hall, chairman, said the group continued to enjoy a high level of reward from its investments throughout the world, in particular the associated companies in the Pacific Basin.

Bibby seeks £36m to help relieve Caterpillar debt

By Jane Fuller

J BIBBY & Sons, the industrial and agricultural group, yesterday launched a £35.6m rights issue to relieve debt taken on with the acquisition of Spain's sole Caterpillar distributor.

Bibby is 78.9 per cent-owned by the South African Barlow Rand group, which is taking up its full entitlement in the 1-for-4 issue. The 115p issue price compares with yesterday's opening of 136p. At the close 16p had been shed.

Mr Richard Mansell-Jones, Bibby's chairman, said the rights issue was envisaged earlier this summer, when it raised its bid for Finanzauto to Pta15.9bn (£88m) to clinch success.

Including more than £120m of Finanzauto's borrowings and contingent liabilities, the combined group's gearing had risen to about 150 per cent on net debt of more than £240m.

By the end of the financial year in September, with the help of the issue proceeds, gearing would be down to about 90 per cent, he said. Further reductions would be achieved by cutting stock and selling non-core assets.

The directors planned to maintain the final dividend at 6.9p to make an unchanged 9.75p total.

In the six months to June 30, Finanzauto made pre-tax profits of Pta106m, down from Pta792m. That reflected a 50 per cent fall in the market for earth moving equipment in Spain.

The balance of the rights issue has been underwritten by Cazenove.

JOBS: Evidence that vocation does not mix well with vacation, nor even with intermediary ingestion

How to be an ever efficient worker

"AM I contaminating you?", asked the Jobs column, just back at work from four weeks' leave. "H'm," said its partner Bill Hall, without looking up. "I ask in the cause of serious scientific inquiry," I persisted. "H'm," he replied, continuing to peer at his screen.

What prompted my query was Diane Summers's report in last Thursday's FT on research by the Cedar International consultancy into the way holidays affect productivity. The broad finding – that the effects are dire – will of course be no surprise to anybody. But *how* dire they are came as a bit of an eye-opener.

The productivity-dip is evidently so bad that for every working day we have off, our employer in effect loses two. Moreover, while it startled me, that estimate seemed perfectly plausible to psychologist Cary Cooper of University of Manchester Institute of Science and Technology. "There's a sort of holiday infection that contaminates everyone around the person who has been away," he explained.

Hence my question to my partner. After all, if I was contaminating him, the best way to reduce the productivity damage would surely be for me to go on holiday again until his next break was due. Alas to judge by the response, far from being infected, he hadn't even registered that I was back.

Whereupon I lapsed into silent contemplation of another of Professor Cooper's ideas. It's that we would do well to stop having a long holiday once a year and instead take shorter breaks more often. The result, he thinks, would be less preoccupation with preparations beforehand and less rustiness afterwards. So the cost in lost productivity to our employers would be lower while we'd be just as well recuperated.

Well, while that's perhaps so in broad terms, personal experience again rebuts it. Whatever lengths of holiday the Jobs column has taken – ranging from three days to six weeks – the productivity losses have been much the same, and the recuperative effects barely if at all detectable.

But, as a one-man sample is no test of any hypothesis, I raked through the paper mountain that used to be my desk seeking research on shorter holidays. Unfortunately, the only example I could find concerns an extremely short one (although some make it last far longer than others): namely, the lunch-break.

It crops up in an article by Peter Wright of Edinburgh University in the British Psychological Society's latest journal. Here is Dr Wright's account of various researchers' findings on the effects of lunch-breaks on productivity.

"Errors of shift workers show a sharp increase at 2pm as do instances of falling asleep at the driving wheel and other measures of driving efficiency.... Blake (1971) reported a performance decrement after lunch on a wide range of tasks – signal detection in a vigilance task, mental arithmetic, disjunctive reaction time, and card sorting."

Then, for good measure, he adds a stomach-churner (which I've italicised): "Craig (1986) found a clear post-lunch dip in efficiency of detecting sensory events, *but no change in performance when food was not consumed.*"

So it seems that, if efficiency's the aim, we should not only take shorter holidays, but stop eating between work-stints to boot.

HAPPILY another kind of hunger – the jobs-famine – is at least slightly eased by a post in Abu Dhabi offered by recruiter Andrew Duncan for an international investment concern. Being unable to name it, he promises to abide by any applicant's request not to be identified to his client at this stage.

He seeks an information technology specialist to take charge of systems development. So candidates need management skills besides full technical knowledge of IT applications outside as well as in the investment field. Salary about £75,000 tax-free. Family housing among other typical expatriate perks.

Inquiries to Andrew Duncan Associates, Oxford House, Oxford Rd East, Windsor, Berkshire SL4 1EF; telephone 0753 832144, fax 0753 832166.

NOW to the underlying table giving a selection of the latest indicators of world-wide living costs compiled by P-E International management consultants. Anyone wanting the full survey, which covers many more places than the 60 I've included and costs £310, should contact P-E's Simon McBride at Park House; Wick Rd, Egham, Surrey TW20 0HW; tel 0784 434411, fax 0784 471404.

The cost indices all refer to specific cities instead of countries as a whole, and are based on prices in London at 100. Alas, owing to problems in devising an internationally consistent measure of housing costs, they are omitted.

Another snag is that, since such surveys are time-consuming exercises, the findings are not bang up to date. The price-levels reflected by the index figures are those which prevailed last April. Even so, the inflation rates are the latest available, and the indices are calculated at the exchange rates in force on August 31.

To update for subsequent changes, take the exchange rate in the table, divide it by the later rate, and multiply the result by the table's index figure.

Michael Dixon

Place	Living cost index	*Inflation %*	Exch'ge rate £1 =	Place	Living cost index	*Inflation %*	Exch'ge rate £1 =	Place	Living cost index	*Inflation %*	Exch'ge rate £1 =
Japan, Tokyo	134.7	2.4	244.25	Luxembourg	90.1	3.6	57.45	Bahrain, Manama	74.7	-0.7	0.75
Norway, Oslo	129.4	2.4	11.04	Mauritania, N'chott	89.5	6.3	153.75	Philippines, M'ila	74.6	10.0	44.90
Sweden, Stockholm	125.3	2.1	10.20	Bahamas, Nassau	89.4	6.4	1.98	Papua NG, P M'sby	74.5	6.8	1.90
Congo, Brazzaville	120.0	2.2	475.13	Liberia, Monrovia	88.0	4.5	1.98	Canada, Toronto	73.2	1.7	2.37
Denmark, Copenh'n	112.8	2.5	10.78	Hong Kong, Victoria	87.6	9.9	15.31	Tunisia, Tunis	72.3	6.9	1.61
Switzerland, Zurich	111.0	4.8	2.50	Portugal, Lisbon	87.1	9.7	243.35	Trinidad, P of Spn	72.1	2.4	8.42
Finland, Helsinki	110.3	2.8	7.69	Taiwan, Taipei	86.1	5.1	49.85	Malaysia, K Lumpur	71.5	4.1	4.94
Ivory Cst, Abidjan	109.3	1.2	475.13	USA, New York	83.4	3.2	1.98	China, Beijing	70.6	3.2	10.78
Libya, Tripoli	107.6	4.4	0.51	Barbados, Bridget'n	80.6	8.1	3.99	Thailand, Bangkok	70.2	4.9	49.80
Italy, Milan	106.0	5.6	2,134.50	S Korea, Seoul	80.6	8.1	1,558.25	UAE, Dubai	70.2	2.0	7.27
France, Paris	104.4	3.1	9.50	Cuba, Havana	80.5	7.0	1.50	UAE, Abu Dhabi	70.1	2.0	7.27
Belgium, Brussels	102.8	2.8	57.45	Cyprus, Nicosia	79.3	7.1	0.81	Australia, Sydney	69.4	1.7	2.76
S Arabia, Riyadh	102.8	5.7	7.43	Antigua	79.1	1.0	5.35	Indonesia, Jakarta	69.2	9.6	4,033.90
Spain, Madrid	102.8	6.5	180.95	Brunei	78.4	2.5	3.17	Jordan, Amman	69.1	6.8	1.32
Austria, Vienna	101.1	4.1	19.65	Malta, Valletta	77.6	1.0	0.58	Fiji, Suva	64.6	3.5	2.93
UK, London	100.0	4.3	1.00	Morocco, C'blanca	77.1	7.2	14.81	N Zealand, W'ton	63.6	2.1	3.66
Ireland, Dublin	98.1	3.7	1.06	Qatar, Doha	77.1	3.0	7.21	Panama	61.0	1.1	1.98
Netherlands, Am'd'm	96.4	4.4	3.15	Oman, Muscat	77.0	1.6	0.76	Sri Lanka, Colombo	59.4	10.7	86.45
Germany, Frankfurt	94.9	4.6	2.79	USA, Los Angeles	76.1	3.2	1.98	Bangladesh, Dacca	56.3	4.3	77.95
Seychelles, Victoria	94.3	1.4	9.65	Singapore	75.2	2.8	3.17	Pakistan, Karachi	51.0	8.1	49.65

هكذا في الأصل

SENIOR FIXED-INCOME SALES AND TRADING

Our client is one of the world's largest financial institutions with an impressive global presence. Despite the crrent economic climate, their European Head Office in London is looking to expand its sales and trading operations in the fixed-income division. In order to facilitate this development they are looking for a number of highly motivated Senior Sales Executives and Traders to support their strategic plans for growth in this sector.

Bond Sales

The Company seeks t appoint at least three high-calibre Salesmen at senior level to strenthen the existing team.

Reporting to the Heaof Sales, you will have the key responsibility of markting a full range of fixed-income products to both institutional ancorporate clients across Europe.

The ideal candidate vill have a minimum of three years' relevant selling expeence, covering a range of currencies and products. Excellent ommunication and presentation skills are essential to be succesful in this highly competitive market, as is the ability to demontrate a good track record of developing profitable client relaonships. A second European language would be an advantge.

EGB & ECU Traders

The Company is seeking to employ experienced Senior ECU and Government Bond Traders who will help continue the organisation's in-depth coverage of the whole range of Instruments relating to ECUs and European Government debt.

Reporting to the Head of Bond Trading the successful applicants will be responsible for market-making and ensuring the continuing profitability of the positions taken by the Company in the ECU and European Government Bond Markets.

The ideal candidates will have at least three years' experience of market-making and trading in ECUs and/or European Government Bonds gained within a leading securities or brokerage house. Excellent interpersonal skills and the ability to communicate at the highest levels will be essential as will the ability to interact efficiently with other areas of the Fixed-Income Division.

Thee positions all represent excellent career opportunities within an organisation that prides itself on promoting from within. The final salary packages agreed, therefore, will fully reflect the seniority of the positions and our client's wish to attract candidates of the ighest possible calibre. Interested applicants should telephone **Jonathan Cohen** on 071-413 0972 (fax 071-413 0976) or write to him enlosing a detailed CV at the address below. Please state clearly on your application for which position you wish to apply.

12 Curzon Stret
London W1Y 7FJ

L O N D O N

JP
SEARCH AND SELECTION LTD
RECRUITMENT CONSULTANTS

P A R I S

Tel: 071-413 0972
Fax: 071-413 0976

A CHALLENGING NEW VENTURE

This well-backed international company has recently established an organisation to market the rental and leasing of commercial semi-trailers and shelter equipment in the EEC. Candidates are sought for key start-up roles which will be filled by individuals who will grow to manage major areas of the enterprise, with the opportunity to apply their skills to establish the procedures, policies and disciplines necessary to achieve the company's expectations.

DIRECTOR OF FINANCE AND ADMINISTRATION

Package to £50,000 + car — *Home Counties*

DIRECTOR OF PURCHASING

Package to £45,000 + car — *Home Counties*

SALES DIRECTOR

Package to £45,000 + car — *Home Counties*

AREA SALES MANAGERS

Package to £30,000 + car
SE London, Manchester, Liverpool

Please write with full career details, to M Copeland, **PA Consulting Group** Advertising and Communications, 125 Buckingham Palace Road, London SW1W 9SR.

Transport Pool Corporation
(General Electric Capital Company USA (not connected with an English company of a similar name)

GE CAPITAL TRAILER RENTAL/GE CAPITAL MODULAR SPACE

TRAINEE PARTNERS

2 individuals aged 23-33, with sound academic background required. Experience not necessary but the ability to assimilate on a technical and conceptual level essential. Potential to progress to full partner with full profit participation in 2 to 3 years.

Call Simeon Jenkin on 071-379 5895.

Deal 0rientated Documentation/Transaction Management Executive

International Securities

Our client a leading European investment bank enjoys an enviable eputation across a wide variety of investment banking rarkets. The services provided to its global clients are diverseand highly sophisticated.

An excitng opportunity has arisen within the Transaction Managenent Group for an individual to take responsibility for the ransactional management and documentation of eurobondand international securities offerings.

The smal, multi-disciplinary team advises the individual product areas onthe structuring, documentation and execution of a high volume of transactions to the highest professional standards and are invcved in a wide variety of securities offerings including deals that arecomplex and strategic in nature.

Applications are invited from individuals with experience of eurobond documentation, gained within a major financial institution or professional practice. Due to the high level of autonomy associated with the position it is unlikely that the successful candidate will have less than two years relevant experience.

A professional, meticulous approach, combined with a high level of commercial acumen is essential. Of equal importance are self motivation, presentation and negotiation skills and the ability to manage transactions within a highly pressurised environment.

Opportunities to progress within this highly profitable organisation are excellent for those individuals who are hardworking and determined to succeed. The highly competitive remuneration package will include a basic salary in the range £30,000-£40,000, a company car, annual discretionary bonus and mortgage subsidy.

Intersted candidates should contact Paul Mewis at BBM Associates Ltd (Consultants in Recruitment) on 071-248 3653 (081-946 5012 evenings/weekends) or write, sending details to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM
ASSOCIATES

Tel: 071-248 3653 Fax: 071-248 2814

INVESTMENT OPPORTUNIES

SCOTLAND

The continuing growth of Scotland as a centre for fund management is creating opportunities for ambitious professionals to combine successful careers with a high quality of life.

My client is one of the UK's leading financial institutions and is a major fund manager in its own right with a strong long term performance record. They now seek to make two appointments to their team.

FUND MANAGER
UK, U.S. or EUROPE

A fund manager, aged mid 20's to mid 30's, with at least three years experience of major equity markets, either UK, US or Europe is sought for a key role for its growing European business. Reporting directly to the Head of Overseas Equities, the role will have managerial, money management and asset allocation responsibilities and is seen as an excellent entry point into the company. Evidence of personal, professional and managerial skills and potential, as well as a degree and/or professional qualifications are also seen as prerequisites.

INVESTMENT ANALYST
A MOVE INTO JAPAN

An excellent opportunity also exists for an ambitious young analyst, early to mid 20's, and already with some exposure to fundamental equity analysis to join my client's Japanese team, working directly for an experienced fund manager. Previous experience of Japan is not necessary.

Apply in confidence to:

Willie Finlayson, Coburn Blair, RWF House,
5 Renfield Street, Glasgow G2 5EZ
Tel: 041-248 4247

COBURN BLAIR

BRITISH AIRWAYS PENSIONS

Chief Investment Officer

Cental London — Substantial Package

With assts of over £4 billion under management, the British Airways Pension Schemes one of the largest and best managed in-house funds in the UK.

An imrediate requirement has arisen for an able and experienced fund managment professional to assume overall responsibility for management of the fud as Chief Investment Officer.

Reporng to the Trustees, the Chief Investment Officer will be fully accountable for thperformance and management of the fund. Key tasks will be to:-

- fonulate investment strategy and make appropriate recommendations to th Trustees;
- acieve consistent upper quartile performance over the longer term;
- mnage, motivate and develop a successful and capable fnd management team.

The apointee will have considerable latitude in respect of assetllocation within agreed parameters.

Probably aged in their 40's and educated to degree level, candidates must have substantial fund management experience and a demonstrably successful track record across all major markets. They are likely to have previous experience as the Head or Deputy Head of a substantial fund management operation and will, therefore, be able to demonstrate the ability to develop and implement investment strategy. They must also be articulate and effective communicators, with the self-confidence, integrity and authority to be immediately credible with Trustees, advisors and the fund management team. First-rate management and leadership abilities will be essential.

The competitive remuneration package comprises a substantial base salary and performance-related bonus scheme, together with a contributory pension, executive car and private health care.

Interested applicants should write, enclosing a detailed CV, to Roger Howell or James Hyde at the address below, quoting reference number 136J.

ST. JAMES ASSOCIATES

MANAGEMENT SELECTION

32 Old Burlington Street, London W1X 1LB Fax: 071-287 2821. Telephone: 071-287 2820.
A GKR Group Company

With assets exceeding £2.5bn and branches throughout the Midlands, we have become one of the UK's largest regional Building Societies, and one of the top 10 best performing societies.

Now our sights are set firmly on further structured growth as we prepare for the next century.

T R E A S U R E R

PACKAGE C.£40,000 P.A. + CAR

The Treasury function is already a vital part of our operations and in the years to come is expected to support the ambitious growth and increasingly complex activities being undertaken.

Leading a small team, your major task will be the development and implementation of prudent strategies for the management of interest rate risk, the investment of assets and the raising of capital and wholesale funding. A key objective will be the promotion of the Society within the financial markets.

You will assist in driving forward the Society's ambitious business strategy and, reporting to a General Manager, will have influence at the highest level.

As well as a degree and relevant professional qualification, you will also need to demonstrate experience at a senior level in Treasury within the banking or financial services sector.

We are looking for an outstanding manager who can drive through change and make things happen. Good communication skills, personal integrity, imagination and intellect are essential attributes.

The rewards will be a comprehensive package incorporating concessionary mortgage, car, private medical insurance and pension scheme, and the chance to develop significantly within the role and within a successful organisation.

Please write with full career details to: Mike Fitzgerald, Personnel Controller, Coventry Building Society, P.O. Box 105, 1st Floor, West Orchard House, 28 Corporation Street, Coventry CV1 1QR, quoting Ref: MHF/C100.

We are an Equal Opportunities Employer.

COVENTRY
BUILDING SOCIETY

CORPORATE FINANCE ANALYST

SALARY C. £40,000

The London headquarters of this prestigious European investment house is seeking a talented and experienced analyst to support a team of twelve business origination executives with global responsibility.

The role is to provide detailed balance sheet and due diligence analysis of targeted client companies, financial modelling including discounted cashflows and merger modelling, recommendations for financing techniques and transactional support on deal execution. The target companies will be located mainly, but not exclusively, in the leisure, food and consumer product sectors.

The successful candidate will hold an MBA from one of the top post-graduate schools, have a solid track record (at least four years) with a major investment bank/securities house following a traditional post graduate training programme covering highly analytical methodologies and cross-border corporate finance techniques, and will have extensive practical experience in these areas. He/she will also need to be well versed in all areas of investment banking products, including capital markets, derivatives and Mergers & Acquisitions. Preference will be given to candidates whose experience spans both Europe and North America.

An excellent salary, benefits package and discretionary bonus are available for the successful candidate.

Please reply, enclosing a full curriculum vitae to: Box A1937, Financial Times, One Southwark Bridge, London SE1 9HL

Strategic Planning – Financial Services

London
UP TO £45K
+ bonus + car
+ banking
benefits

The company has an important role in the financial services industry and is evolving its strategy to define this role within the industry into the next century. You will be leading a small strategic planning team. working with the Executive to facilitate the change that will achieve the corporate objectives.

For such a role it is essential that candidates must be graduates who can demonstrate a good track record of at least three years in formulating, implementing and monitoring the strategic planning process in a blue chip organisation. You should have an excellent understanding and practical experience of the banking industry coupled with a sound knowledge of planning techniques. An MBA would be a distinct advantage.

As both the architect of change and the catalyst that will make it happen you need strategic planning ability balanced by the patience and interpersonal skills to win over others; the appointment calls for a high level of maturity and sensitivity.

The post guarantees challenge and full use of your skills with rewards to match. Please apply in writing only, stating companies to whom your details may not be sent, to:
Philip Vignoles (ref PA 49/1F)
P M Vignoles Associates, 211 Piccadilly
London W1V 9LD

PMVA

SHELL TRUST (BERMUDA) LIMITED

Senior Equity Portfolio Manager

The Company is Trustee for several Shell pension funds whose investment portfolios, in excess of £700 million, are invested globally.

A Portfolio Manager is required to join a small team responsible for the implementation of the investment policy of the Funds within guidelines established by the Company's Board of Directors.

Applicants must be professionally qualified and have over five years' experience in international fund management with expertise in equity investments. Specialist knowledge of the markets in Continental Europe is desirable, but the Company is willing to consider an experienced U.K. manager eager to redirect his focus to the continent. Written evidence from an independent source should be submitted by the applicant of his or her investment performance over the preceding three years.

The prime responsibilities of the Portfolio Manager are:-

- to develop an equity selection strategy and implement it;
- to trade day-to-day in the investment markets; and
- to maintain sound working relationships with brokers in overseas investment centres and the managers of other Shell retirement plans.

The position is a senior appointment within the Shell organisation in Bermuda and commands an excellent salary for the applicant with appropriate qualifications and experience. Salaries are tax-free as Bermuda has no personal income tax, and the standard of living is very high. Please apply (in confidence) in writing, stating age, qualifications and experience to:-

The General Manager, Ref. 3/92, Shell Trust (Bermuda) Limited, Shell House, Ferry Reach, St George's, Bermuda.

Royal Dutch/Shell Group

ESN

ESN PENSION MANAGEMENT GROUP LIMITED

Fund Managers/Investment Analysts

Victoria **Competitive Salary**

ESN Pension Management Group Limited is an independent company owned by the 17 electricity utilities in England and Wales. It already provides investment management services to pension funds at large (through an IMRO regulated subsidiary), as well as a wide range of pension administration and advisory facilities. Currently the company's principal role is to provide staff to manage the investments within the Electricity Supply Pension Scheme, a £10 bn fund co-mingling the bulk of the pension assets of the 17 employer-owners.

With expansion, the company is seeking to recruit two additional fund managers/ investment analysts to join the UK Equity Group. Each will be responsible for a range of market sectors and will be expected to make and implement well considered investment recommendations, maintaining ESN's highly creditable performance record.

You will be expected to have a proven knowledge of economics and investment principles and techniques, with practical analytical experience gained in fund management within the investment industry. The salary and benefits package which includes a contributory pension scheme, will be commensurate with the calibre of person sought.

Please write in confidence enclosing a full CV and salary details quoting reference FT/135 to:

Alan MacLeod, Personnel Manager, ESN Pension Management Group Limited, 110 Buckingham Palace Road, London SW1W 9SL.

Interviews will be held during the week commencing 21 September.

West Country £37,500 + Car + Profit Share

Area Managers

Corporate Banking

Our client is a successful and autonomous bank member of a major UK banking and finance group. It intends to enhance its presence in the West of England by the appointment of Area Managers, based in Bristol and Worcester, who will each develop a small and enthusiastic management team and an expanding portfolio of corporate clients.

The appointees will be aged mid-30s upwards, well qualified bankers, and have wide experience of all forms of corporate finance. They will have personal presence, an ability to generate business, and the skill and sensitivity to lead and motivate young management talent. With well-practised presentational experience the successful candidates will know and mix easily in the business community in their areas, and quickly earn their respect. In return there will apply an excellent benefits package that will include a generous profit sharing scheme.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to the Managing Director, Performance Management Limited, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham B2 5TF quoting reference P188 and stating preferred location, if any.

PM Performance Management Limited

MANAGEMENT CONSULTANTS

JOSLIN ROWE

SETTLEMENTS MANAGER to £45,000
A broad and influential managerial role with a leading City institution. The post calls for strong leadership skills together with exposure to a broad range of products, in particular Capital Market instruments. Responsibilities will include the management of over twenty operations personnel covering Eurobond, Derivative and Foreign Exchange trades, systems control, data processing and Front Office liaison. A thorough understanding of Euroclear operations is essential.

FUND MANAGER c£30,000
Established City Fund Managers seek an individual with at least 5 years' experience as an Investment Manager. The successful applicant will be degree educated and possess a strong exposure to the Far Eastern markets. Varied duties will include managing substantial funds, supervising staff and developing new business. A proactive approach is a prerequisite, coupled with strong communication and interpersonal skills.

DOCUMENTATION OFFICER c£25,000
An opportunity exists to further develop your experience within the Derivatives team of this leading US Investment Bank. The role will involve extensive negotiating and drafting of Swap agreements and confirmations and responsibilities will be to ensure credit limits and tax aspects are adhered to. A graduate, in your late 20s, you should possess a strong knowledge of ISDA Master Agreements.

CORPORATE FINANCE c£35,000
Prestigious City Bank seeks to appoint an Assistant Manager for its UK Corporate Finance Group. The prime responsibility will be to market the Bank's lending and treasury services. This will encompass developing relationships to further business opportunities, carrying out credit analysis and documentation. Excellent marketing skills are required, gained from exposure to UK Corporates, as is a formal credit training. Graduate/ACIB preferred.

PROPERTY LENDING to £30,000
Leading International Bank currently seeks to appoint a graduate (aged to 30) with 3 years' UK Property Lending experience to assume immediate responsibility for a portfolio of accounts. Full duties will include credit and cashflow analysis, preparation of annual reviews, monitoring of existing transactions and assessment of new business. Excellent interpersonal and communication skills are required, as extensive client liaison is involved.

CREDIT ANALYST £25,000
Working in a specialised team within this renowned Investment Bank, an opportunity exists to be actively involved in managing credit risk. You will be developing procedures and strategies to identify, measure and report on credit exposure. A graduate with a minimum of 2 years' Credit experience, you should have a good knowledge of capital markets products and experience of complex PC models and applications.

TEL: 071 638 5286 FAX: 071 382 9417

Joslin Rowe Associates Ltd Bell Court House 11 Blomfield Street London EC2M 7AY

A MEMBER OF THE BLOMFIELD GROUP

CASH MANAGER

c£28,000

PolyGram is one of the world's most successful international music companies, publicly quoted on the New York and Amsterdam stock markets and has an annual worldwide turnover exceeding £1.9 billion. Our markets are global and our success is legend.

An opportunity has arisen for a young and enthusiastic Cash Manager to join us at our Central London Head Offices. Reporting to our Deputy Treasurer you will be responsible for the day-to-day management of investments and banking, currency pools, cash flow planning and the overall control of all aspects of our liquid receipts and assets.

We are interested in meeting candidates offering a relevant degree or HND along with a minimum of 2-3 years cash management experience gained either in a computerised corporate or banking environment, and who preferably are studying for membership of the Association of Corporate Treasurers.

You must also have the initiative to work with a minimum of supervision and the communication skills to liaise effectively with both external contacts and internal, worldwide subsidiaries.

Effective cash management is vital and this is a key appointment offering a salary and benefits package to match. To become a part of our exciting future, please write enclosing a full CV to Jim Chester, International Personnel Manager, PolyGram International Ltd., 30 Berkeley Square, London W1X 5HA.

PolyGram

Fixed Income Sales

City **Base to £50K**

Our client, the London-based securities arm of a major international bank, is further strengthening its activities in the international securities markets.

They now seek a fixed-interest salesperson with an active UK client base, and at least 2 years' relevant experience, preferably with some knowledge of the Yen bond market. They will also welcome applicants with a European client base.

This recognised force in the fixed-income markets can offer suitably-qualified individuals outstanding career prospects and excellent rewards. Please reply, quoting reference number MH 2947, to:

Rochester Partnership Ltd.
Garrard House
31-45 Gresham Street
London EC2V 7DN
Tel: 071 600 0101
Fax: 071 796 4255

ROCHESTER
International Search & Selection

EUROBOND SALES

Leu Securities Limited is a member of one of Switzerland's oldest banking groups and ejoys a considerable reputation in the International Fixed Income Securities Markets.

We are looking for capable, self-motivated and experienced sales people to join an existing Fixed Income Group. Candidates should have an established client base and have worked for a minimum of five years in the International Fixed Income Markets.

We offer an attractive performance-related remuneration scheme.

Please send a c.v. with datytime telephone number to: J. Michael Galbraith, Leu Securities Limited, Enserch House, 8 St James's Square, London SW1Y 4JU

INDEX TREASURY, TRADING AND MONEY MARKET APPOINTMENTS

TRADING		SALES	
DERIVATIVE PRODUCTS	£NEG.	DERIVATIVE PRODUCTS (EQUITY & MONEY MARKET)	£NEG.
SNR CORP. FIN/ANALYST	£NEG.	OTHER	
CORP. FIN (EURO LANCS)	£NEG.		
PROPRIETARY DESK	£NEG.	FIN. ENGINEER/MODELLER	£NEG.
EUROBONDS	£NEG.	ECONOMIST/ANALYST/QUANT	£NEG.
		RISK MANAGEMENT	£NEG.

FOR FURTHER INFORMATION PLEASE CALL OR SEND/FAX YOUR C.V. IN CONFIDENCE

INDEX 184 FLEET ROAD, FLEET, HANTS GU13 8DA
TEL: 0252 811211 FAX: 0252 811409

Private Client Investment Management

Archdale Securities Ltd, a Bath based investment management company, is expanding its private client portfolio management business. Archdale is looking for an experienced individual with proven marketing skills. Suitable candidates will have an existing client base and possibly a stockbroking background. Remuneration is negotiable depending upon the applicant's background and experience.

Please write giving full details and CVs to:

The Managing Director
Archdale Securities Ltd
9 Kingston Buildings
Bath BA1 1LT

Archdale Securities Ltd is a member of IMRO

EQUITIES **FIXED INTEREST**

WESTONS SECURITIES

Member of the London Stock Exchange and of the Securities and Futures Authority. Westons Securities Limited, 8/9 Botolph Alley, London, EC3R 8DR. Tel: 071-283 8644.

As part of our expansion plans we now need additional experienced sales personnel with active established clients.. If you have the qualities we need, write to Mr J.E. Jones, Managing Director.

INTERNATIONAL CAPITAL MARKETS

An important Far Eastern bank requires an Assistant Dealer for its London Trading desk. Responsibilities will include assisting the local and expatriate traders with securities sales/trading, money market and FX business. Ideal candidates will have 1-2 years experience on a City securities desk. Remuneration to match experience.

Reply in confidence with detailed CV to: Box A1934
Financial Times, One Southwark Bridge,
London SE1 9HL

Special Projects Sales

Institutional Investor seeks a manager for its Special Projects Department to cover Africa/Middle East and Eastern Europe.

The ideal candidate will possess the following qualifications: * M.B.A. or similar degree * banking/capital markets experience, * proven sales track record * knowledge of the international publishing industry highly desirable.

Complete command of Arabic, French & English languages and understanding of Arab/African business cultures essential. Candidates should have no restrictions on travelling extensively and for prolonged periods.

Please send cv with covering letter to: Anne Page, Institutional Investor, Imperial Buildings, 56 Kingsway, London WC2B 6DX.

INTERNATIONAL M&A

Expanding international M & A advisory firm with offices in ten countries globally is seeking entrepeneurial M & A professionals with 3-5 years transaction experience to join its Paris and Düsseldorf offices. Firm is a leader in mid-market cross border M & A.

Please send resumé in confidence to us to obtain further information.
Reply to Box A1944 Financial Times, One Southwark Bridge,
London SE1 9HL

UK AND INTERNATIONAL INVESTMENT ANALYSTS

NEWTON

Newton Investment Management is a privately owned and independent investment house which has achieved an exceptional investment record.

The Company is continuing to expand its Research Team significantly both for the UK and worldwide.

This is an unusual opportunity to join a company with a reputation for outstanding performance, in which Research plays a leading part.

Candidates will need to be of the highest quality and capable of taking a global perspective. The main requirements are strong analytical skills with sound financial and commercial awareness. Sector knowledge is essential.

Successful candidates will be given an excellent remuneration package related to performance with the opportunity for options in this profitable company.

In the first instance please write in complete confidence to:

Elizabeth Fane
The Willis Partnership Limited
Executive Search Consultants
23 Buckingham Gate, London SW1E 6LB
Fax: 071-828 9967

THE WILLIS PARTNERSHIP

CAPITAL MARKETS

We currently hold mandates for the following assignments with major international banks.

Fixed Income Sales - France Paris or London based. French National.	£70-80,000
Multi Product Bond Sales - Scandinavia Fluent in 1 or more Scandinavian language. 2-3 years experience.	£60-70,000
Multi Product Bond Sales - Southern Europe Fluent in Italian or Spanish.	£60-70,000
Multi Product Bond Sales - Germany Fluent in German. 3-5 years experience.	£60-70,000
S.E. Asian Equity Sales Minimum 2 years experience on emerging markets.	£50-70,000
Fixed Income Proprietary Trader Proven track record. 2-3 years experience.	£30-45,000

Please call or write to Nigel Haworth on 071 623 1266

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP
Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

Senior Private Banker

Banque Nationale de Paris p.l.c., London, part of the worldwide BNP Group, one of the world's largest commercial banking organisations, wishes to recruit an enthusiastic, experienced Senior Private Banker to source and market the full range of BNP's investment services to high net worth Middle Eastern clients.

The successful applicant will have a proven track record in selling investment services and be capable of achieving demanding sales objectives in a competitive market. Experienced in investment products including securities, managed portfolios, foreign currency, and investment advisory counselling, you will also have extensive high level client contacts in the Middle East, particularly Saudi Arabia. Knowledge of Arabic would be advantageous. Good personal presentation and unquestionable integrity are of the utmost importance.

A competitive remuneration package for this London-based position is offered.

If you have the background and experience we seek, please write in the first instance with full career details to Mrs. Paula Keats, Personnel Manager:

Banque Nationale de Paris p.l.c.,
PO Box 416, 8-13 King William Street,
London EC4P 4HS. Tel: 071-895 7223.

BNP

Fixed Income Trading & Sales

LONDON

Paine Webber International (UK) Ltd, the UK arm of a major US securities group, is expanding its presence in US and European Fixed Income markets.

The Company now seek a number of trading & sales people with a minimum of 2-3 years' experience in US and European fixed income products.

The successful applicants must possess excellent communication skills plus the energy and drive to carve out a significant share of the market.

Please write enclosing CV to:
Larry Forrest, Director,
Paine Webber International (UK) Ltd,
1 Finsbury Avenue, London EC2M 2PA.

PaineWebber

TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

GLOBAL ASSET MANAGEMENT

CHIEF EXECUTIVE - INSTITUTIONAL INVESTMENT

Global Asset Management is a dynamic, expanding fund and portfolio management Group. With a select number of private and institutional clients, it has in excess of $4 billion under management, with over 200 people in seven locations world-wide. In order to improve further and develop its service to institutional clients, GAM is now setting up a new organisation – Global Institutional Asset Management (GIAM). Its focus will be serving US based pension funds, endowments and charities, and it will also serve institutions in the UK, Europe and the Far East.

GAM wishes to appoint a Chief Executive for GIAM to lead its growth and development, both with respect to the client base and in managing the investment performance. Working closely with the Group Chairman and the Managing Director, this will involve developing and implementing GIAM's overall strategy, and putting together the requisite people and infrastructure.

This will require a person with unusually strong experience and personal characteristics. A university graduate, you will have at least ten years' experience in securities investment with premier UK or European firms, with at least four years' marketing to and managing funds for blue chip ERISA institutions. You will be able to demonstrate an exceptional record of success, both in terms of the depth of the client base and investment performance. Key skills include a strong entrepreneurial orientation, leadership, and the personal stature to be credible at the most senior level.

This is an exceptional opportunity for the right individual: to lead the growth of a new institutional investment management organisation, with the backing and support of a leading firm; and the potential for exceptional financial rewards.

If you are interested in discussing this position further, in the first instance please write together with a full resume to the Chairman, Global Asset Management, GAM House, 12 St. James's Place, London SW1A 1NX.

GAM

HEAD OF PUBLIC POLICY CONSULTANCY UNIT

BRUSSELS

Our client, a major European international law firm wishes to appoint a highly qualified person to manage and develop its Public Policy Consultancy Unit in Brussels. This is a new appointment and offers a real opportunity to someone who is likely to have experience of working at a senior level in one of the institutions of the European Community, in an Embassy or Permanent Representation or in relevant related work.

The person appointed will be responsible for advising the firm and its clients on policy developments within the European Community and will assist the firm's lawyers and clients in influencing the development of that policy.

The post would suit someone who:

- is ambitious and keen to build up the unit
- is a lawyer or is happy to work in a legal environment
- has appropriate linguistic skills
- has a sound knowledge of the internal working of European Community institutions
- is prepared to travel and make contacts in Brussels and throughout Europe.

The firm is strongly committed to this development and will provide solid support for the person appointed.

There will be an appropriate remuneration package and the possibility of advancement within the firm.

Please send a comprehensive CV quoting reference FT/103 to: Robert Patis, Withers Diamond & Wood Brigdale Limited, Kent House, Market Place, London W1N 7AJ. Fax 071 255 3125.

WD&WB
WITHERS DIAMOND & WOOD BRIGDALE
RECRUITMENT ADVERTISING

SECRETARY-GENERAL

The European Atomic Forum (Foratom) is an international association representing the collective interests of 14 national organisations whose membership is engaged in the development and peaceful use of nuclear energy, a power source that currently meets 35% of Western Europe's electricity needs.

In recognition of the growing importance of EC-bodies in the policy and decision-making process, Foratom, which currently has its headquarters in London, is to transfer its office to Brussels and requires a Secretary-General to act as Chief Executive and to direct the activities of a small professional staff.

Knowledge of the energy sector, experience in public affairs and fluency in English and French (German desirable) is essential. The candidate is also likely to have had experience with European Community institutions.

The successful candidate, who will have the challenge of setting up his/her own organisation, must be able to function in an international environment, possess strong intellectual qualities, management ability and presentational skills.

The applicant will probably be in his/her forties to mid-fifties, with a track record of demonstrated achievement.

The compensation package is attractive.

Applications, accompanied by a curriculum vitae, should reach the Chairman of the Selection Committee
FORATOM
22 Buckingham Gate, London SW1E 6LB
by 30th September, 1992.

The Top Opportunities Section

appears every Wednesday.
For advertising information call:

Stephanie Cox-Freeman
071 873 4027

Elizabeth Arthur
071 873 3694

PIONEER INTERNATIONAL

PIONEER.
BRAND • PRODUCTS

Pioneer Hi-Bred International, the world's leading seed company is searching for a General Manager for its operations in Rumania. Candidates should have an agricultural background or equivalent and the flexibility to relocate. Candidates should also be fluent in English and a working knowledge of German or Romanian is desirable.
If interested please contact: Pioneer Overseas Ges.m.b.H., Pioneer Strasse A-7111 Parndorf, Austria, Attn; Eva Kropil Fax: (43) (2166) 2525-62

BANKING FINANCE & GENERAL APPOINTMENTS

Corporate Research & Planning

... an Economist to help shape and influence group strategy

Yorkshire — To £30,000 + car + benefits

Our client – a progressive engineering plc with European interests – is engaged in the production of a range of specialist products used across a wide spectrum of industry. The group is diverse and dynamic and is poised for further growth both organically and by acquisition.

This is a wide ranging and influential role which offers considerable scope for personal development. As an Economist within the Corporate Research department, you will be responsible for the provision of in-depth economic and market research services which in turn will form the basis of the Group's long term corporate strategy and business planning functions.

Probably late 20's/early 30's – you will be a graduate in economics perhaps supported by an MBA. Your experience will have included several years within the corporate research function of a major UK plc in the engineering sector. In addition, you may have undertaken an investment research role across the engineering sector from within a financial institution.

Salary is for discussion; the comprehensive benefits package includes relocation expenses, where appropriate.

Please write – in confidence – with full details. A L Brown, Ref 16225, MSL Group Ltd, Ebor Court, Westgate, Leeds LS1 4ND.

MSL Group Ltd

MERCER
Management Consulting

Opportunities for top graduates and MBAs

Mercer Management Consulting, a leading international strategy consultancy, was formed in January 1992 through a merger of Strategic Planning Associates (SPA) and Temple, Barker and Sloane (TBS). Having 9 offices spread throughout Europe and North America, employing a total of around 600 staff, Mercer provides tailored support to senior management across most sectors. The firm is part of the Marsh and McLennan group.

Mercer is looking for high calibre individuals to join its London office. Opportunities exist for graduates with 1 to 3 years of previous work experience, and for MBAs from leading business schools. Successful applicants will possess:

- Excellent problem solving skills, and comfort with numerical work
- The independence and drive to contribute proactively to a small team
- A clear and concise communication style
- The maturity and personal skills and to work effectively with clients
- A good first degree

Fluency in one or more foreign languages would be advantageous, as would previous consulting experience - but neither are necessary. The positions offer the right individuals an excellent opportunity to develop their business skills fully. Compensation is competitive within the high-quality consulting segment.

Applications should be sent to: Lynn Kaye, Recruiting Coordinator, 1 Grosvenor Place, London, SW1X 7HJ. Quote reference: FT11

Appointments Advertising appears every Wednesday and Thursday and Friday (International Edition)

DERIVATIVES SALES & MARKETING
min £75,000 + Substantial Bonus

We are currently working with a number of highly rated institutions in the search for top quality candidates who can demonstrate a successful track record in marketing equity, interest rate or currency derivatives. The position requires high profile marketers able to demonstrate an excellent academic background, a clear understanding of structuring complex products and the ability to generate significant revenue.

These are outstanding opportunities with real prospects for promotion and advancement. For a confidential discussion...

Please contact Tim Sheffield on 071-623 1266 or apply in writing to the address below.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

CURRENCY OPTIONS DEALER

£ NEGOTIABLE — FULL BANKING BENEFITS

We are a progressive Japanese bank looking to recruit an F/X options dealer to join our established options desk.

The successful applicant will have 2-3 years Inter-Bank dealing experience in the options market.

Please reply in the strictest confidence by sending your CV to:
Dominic Grealy, Personnel Manager,
Sumitomo Trust & Banking Co. Ltd.,
155, Bishopsgate, LONDON EC2M 3XU

Sumitomo Trust & Banking Co.Ltd.

SWISS VOLKSBANK

FIXED INCOME SALES

Swiss Volksbank is the fourth largest bank in Switzerland. The main focus of our Securities Department in London Branch is the coverage of our European institutional and retail customer base, primarily in the fixed income Eurobond market.

Due to the expansion of our operation in this area we now wish to recruit an additional multi-currency institutional salesperson to join our successful sales team. The ideal candidate must have an established customer base and at least 5 years' relevant experience; a working knowledge of another European language would be an advantage.

A competitive and comprehensive remuneration package is offered.

To apply, please send your CV to:
Linda Bloomer, Personnel Manager,
Swiss Volksbank, 48-54 Moorgate, London, EC2R 6EL.

ACCOUNTANCY COLUMN

Dressing the auditor in an umpire's coat

Roger Davis on changes needed to ensure greater corporate accountability at the turn of the century

AUDITING is in need of reform. For once, the profession has been overtaken by events. The world has changed faster than we would like, while the profession has tried too long to defend an indefensible status quo.

There is now consensus that it needs a new sense of direction. What is less clear is where it will go: to concentrate on being good score keepers, the role assigned by the Companies Act, or to take a more active part in the play?

After the event it is often said that the auditor is "not doing enough". The public feels that more could be done to blow the whistle on bad conduct. Moreover, management wants auditors to focus more sharply on the business risks in an increasingly complex world.

But that only deals with the present. If the profession is not to be caught on the hop again, it should look forward to the changed needs for audit at, say, the turn of the century. I believe a number of demands will change the shape of audit.

Stakeholders in the audit. Society will have greater demands for accountability from the corporate community. Employees, financiers, those with long-term trading relationships, the community in which companies operate and environmental interests – all will want to be better informed. They will want confidence in that information. The law is unclear on the duties of companies and the auditor to the wider community. This needs to be resolved.

Scope of the audit. The sophistication of financial management techniques will challenge further the abilities of company directors to keep up with developments in areas such as treasury management and information technology. The company director will be more the strategist, without the expertise in state of the art techniques held by lower levels of management. And sadly, the fraudster, too, will have acquired new skills. Company boards will no longer talk about internal controls so much as strategic risk management.

The auditor will realise that he could be the catalyst for best practice. The traditional management letter, the familiar by-product of the audit – which too often resembles the scraps from the production process – will decline in usefulness. At Coopers & Lybrand we have in hand a project to provide directors with a methodical assessment of their management of risk, with a view to that being being summarised in annual reports.

Audit methods themselves will be recognised as something closer to the "due diligence" process for an acquisition, both in the way the audit is approached and in the management report which results.

But let us also look at how the more traditional role of the audit will change. The auditor will be more concerned with the future. An audit report solely related to past accounts will not be enough. Company reports will be expected to give better warning of future risks: of potential cash flow problems; and of the more vulnerable assumptions made in preparing the accounts.

The annual report itself will form a smaller part of corporate communication. Half-year or quarterly information, presentations to analysts (not to mention City lunches) will increasingly influence share price. Technology will provide sophisticated global networks of company information.

The auditor should be able to act as a catalyst for best practice in objective presentation of company data in these new ways. The audit will need to be more of a continuous process than the annual check on the accounts.

Skills of the auditor. It follows that the skills of the auditor will need to adapt, probably quite radically. The technical accounting and auditing rules of recent years have tended to narrow the outlook. The audit partner of the future will need to be more of a strategist in assessing business and financial risks and then in assembling the necessary audit teams.

Audit will increasingly require multi-disciplinary teams, including manufacturing experts to evaluate inventory; specialists in fraud prevention; experts in IT strategy; lawyers, and so on. Accounting skills alone will no longer be sufficient to provide the most cost-effective audit.

But the accounting qualification will remain as relevant, because it represents the core disciplines of objective enquiry and presentation of data. General audit experience from storeroom to boardroom will remain unrivalled as a business primer.

The profession will be wise to continue to recruit high calibre graduates at least in the numbers to which it has recently adjusted. The reduction in less skilled work will present new challenges in training, for example through work shadowing of senior people. Graduate training must remain the most important investment for accountants.

All of the above is being reflected at Coopers & Lybrand, for example, in our "audit re-engineering project" which is changing the process to achieve greater cost-effectiveness. But there is little scope left for further reduction in the price of audit without gnawing at its fabric. And we are investing heavily in information technology to achieve "first time right" quality.

Standards. One thing will not change. The traditional values of professionalism, independence and objectivity will remain at the fore. Any firm which lets these standards lapse will lose business – and deservedly so. The good auditor will be fearless in the opinions he provides. I also hope that the sterile debate on non-audit services provided by audit firms will have been forgotten. It is not relevant to high standards in practice. The audit will need to be a multi-disciplinary activity provided by multi-disciplinary firms.

Sanctions. Little of what I have advocated will happen if the ratio of auditor's risk to reward stays as it is. Any extension of role could mean an exponential increase in potential liability. The profession must be unique in its risk/reward ratio. Just a few claims can represent the entire annual revenue of the auditing industry.

We need a sensible deal on sanctions for deficient work: a reasonable limitation on liability (to all stakeholders in the audit), supplemented by fair disciplinary sanctions by the regulators. Otherwise, the auditor will have to adopt a similar attitude to the US medical practitioner, who is disinclined to give a forthright view because of the risks of being sued for getting it wrong.

This is a substantial agenda for change. Score keeper or player? Maybe umpire is the best analogy – to see fair play between a company and its stakeholders.

It would be a serious strategic error for the UK profession not to foresee that auditing will become more of an international activity. Capital markets will become more genuinely global and so will regulatory regimes. Different auditing and accounting standards will be an unacceptable barrier.

The UK profession has a long tradition of providing advice, which naturally flows from the audit, and has set a lead to much of the world. It is surely in everyone's interests that we should continue in this tradition and strengthen the value of audit.

Roger Davis is head of audit at Coopers & Lybrand

هكذا من الأصل

Group Accountant

c£27,500 + Car
W. Midlands

This Group is a substantial West Midlands quoted plc, strongly financed and successful, with manufacturing and distribution interests which extend to continental Europe, USA and the Far East.

They wish to appoint a chartered accountant, probably aged mid to late 20s, to take responsibility for co-ordination and preparation of Group statutory accounts, Group monthly results, Group budgets and medium-term planning; interpretation and analysis for the main board; the further development and upgrading of systems, which are PC-based; and post-audit review of major capital expenditure and acquisitions. The Group headquarters is small in numbers, leading to high visibility and the need to accept personal responsibility. Improvement of financial analysis, timetables and systems will be key objectives.

Applicants should be chartered accountants with exposure to group accounting and international consolidations for a medium to large plc gained either via audit experience with one of the Big 6 or from a post-qualification industrial role. Experience of PC spreadsheet applications is desirable. The Group has a positive management development programme which will lead to a line management role within two years. Mobility and a strong interest in career development are therefore major priorities.

Please apply in confidence quoting ref: L518 to:

Brian R. Mason,
Mason & Nurse Associates,
1 Lancaster Place, Strand,
London WC2E 7EB.
Tel: 071-240 7805.

Mason & Nurse
Selection & Search

EVERSHEDS
HEPWORTH & CHADWICK

Director of Finance

c. £70,000

For a leading Northern firm employing over 300 people, and one of the largest national partnerships of solicitors

- ***THE RESPONSIBILITY*** is for the provision of top quality support to the fee earners, the role embraces financial control, technology, resource management and overall administration.
- **THE NEED** is for a qualified accountant with a reputation, in industry, commerce or the professions, for producing effective solutions in a complex and demanding environment. A flexible approach and outstanding management skills are mandatory.
- **PREFERRED AGE** 38 - 50; Location Leeds

Write in confidence, enclosing a Curriculum Vitae, quoting reference T7525 to:

TK
SELECTION

13-14 South Parade, Leeds LS1 5QS Fax: 0532 426888
A DIVISION OF TYZACK & PARTNERS

APPOINTMENTS ADVERTISING
appears every Wednesday & Thursday & Friday (International edition only)
For further information please call:
Richard Jones on 071-873 3460 Teresa Keane on 071-873 3199
Alison Prin on 071-873 3607

Sales and Marketing Accountant

North London — **£28-32,000 + Bonus + FE Car**

Our client, a UK subsidiary of a world leading and acquisitive US FMCG group, is a successful retail company and market leader in its field.

As a result of expansion, our client is seeking to recruit a young and commercial accountant.

Your role will involve close liaison between the Sales, Marketing and Financial teams to Director level. You will be expected to strongly influence the company's sales and advertising forecast. You will use your analytical skills to evaluate marketing programmes and their impact on profitability.

The successful candidate will be aged 25-29, a graduate and qualified accountant, with relevant experience of Planning/Forecasting, and excellent communication skills.

This is a rare opportunity for a highly skilled and commercial accountant to make a real difference to a successful and forward thinking company.

Interested candidates should contact **David Bloch at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.**

MP
Michael Page Finance
Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Financial Controller

Thames Valley — **c £35-40,000 + FX Car + Benefits**

Our client is a c £300 million turnover manufacturing and trading subsidiary of a major multi-national. The company operates in a highly technical field with many of its products established as outright market leaders. With ongoing capital investment aimed at improving productivity, continuous product development and available funds to make strategic acquisitions, they are extremely well placed to continue their track record of sustained growth, well into the next decade.

They are now seeking to recruit a high calibre accountant to strengthen the financial management team. Reporting to the Finance Director, this individual will be expected to achieve the following key objectives.

- Review all existing Finance resources, systems, controls, procedures and reports with a view to implementing the changes necessary to provide a first class accounting service to the Business Management.
- Improve the productivity of the Finance function through training and development and the utilisation of suitable IT solutions.
- Develop successful working relationships with the Business Management in order to provide sound financial and commercial advice in all areas of decision making.

The main responsibilities will include providing fast and accurate financial reporting, financial analysis, budgeting, forecasting, statutory accounts, tax computations and treasury management.

The ideal individual will be a qualified accountant, aged 30-40, with excellent IT skills, experience of consolidations, production accounting, multi-site operations and should be technically strong on SSAPs and UK Corporation Tax. In addition, they should have a working knowledge of French.

They must also possess strong organisational and analytical capabilities, excellent leadership and communication skills, a professional and committed attitude, and the ability to initiate and implement change.

Promotion prospects within the subsidiary and parent organisations are excellent.

Interested applicants should write to **John Zafar ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW.** Please quote reference number: **65949.**

MP
Michael Page Finance
Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Financial Controller

Nottingham — **c £35,000 + Car + Benefits**

National Grid Settlements Limited is a wholly owned subsidiary of the National Grid Company PLC. Its primary responsibility is the calculation of Electricity Pool prices and the subsequent completion and reconciliation of all transactions for the sale and purchase of electricity through the Pool. As a young, customer orientated company, *this is an ideal environment* for a commercially minded Financial Accountant looking for a fresh challenge.

Reporting directly to the General Manager you will play a key role in the management team with responsibility for all financial aspects of the company. This high profile role offers broad experience and exposure to business issues as well as financial planning and strategic decision making responsibilities.

The ideal candidate will be a qualified accountant with at least five years post qualification experience, ideally in a 'service' environment. Broad business knowledge over and above normal accountancy skills with experience of systems implementation and [illegible] would be an advantage.

If you feel that you can rise to the challenge of this highly rewarding environment then talk to our advising consultant Stephen Hockey MBA, in the strictest confidence, on 0602 483480 or write to him at:
Michael Page Finance,
Imperial Building,
20 Victoria Street,
Nottingham NG1 2EX.

MP Michael Page Finance

National Grid

Committed to Equal Opportunities

---

whitehead*selection*

Treasury Manager

to implement centralised European treasury for a major US multinational
London
c.£40,000 + car and benefits

In line with the strategic development of its business, this major US multinational is creating a sophisticated European treasury function to manage surplus cash, financing requirements and foreign exchange for all European subsidiaries. The finance company created will rely on technologically advanced systems to help *improve returns, reduce risk and spread best practice among national treasury functions.*

Reporting to the European Treasurer, the Treasury Manager will play an essential role in the implementation and ongoing management of the function.

Probably aged 26-33, you are a graduate with at least two years background in a corporate treasury department, preferably European rather than UK only, with experience of FX and money market dealing. You are highly PC literate with direct experience of systems implementation. An accounting qualification and exposure to a US multinational would each be advantageous.

This demanding position calls for an exceptionally energetic, self-motivated, flexible candidate who is strong analytically and can make an immediate impact.

Please write enclosing a full CV quoting reference 569 to Nigel Bates, Whitehead Selection Ltd, 4 Welbeck Street, London W1M 7HF.

A Whitehead Mann Group PLC Company.

*whitehead*selection

The Top Opportunities Section
appears every Wednesday.
For advertising information call:
Stephanie Cox-Freeman
071 873 4027
Elizabeth Arthur
071 873 3694

Finance Manager

W. London — **£30-£35,000 plus benefits**

Our client is the UK office of an international specialist long-haul tour operator, with 28 offices worldwide, delivering a high quality product. The subsidiary of a major airline, this dynamic company is successful and has ambitious plans for medium-term growth. The UK operation has a turnover of £30m, with 45 employees.

Reporting to the General Manager you will be responsible for managing the busy UK finance function, with three staff, and preparing monthly management reports to tight deadlines. You will also be responsible for transferring the manually operated accounting system onto Omicron.

To effectively meet the demands of this challenging role you will need to be a qualified accountant, probably in your late twenties or thirties, with experience of operating and managing a manual system. In addition to commitment and a flexible, shirt-sleeves approach, you must possess strong systems skills and experience of managing a small finance team in a fast-moving, service environment.

Do your aspirations meet our client's needs? If so, please write in confidence to Richard Holland, at the address below, with full career and salary details, quoting reference 1696. BDO Consulting, 20 Old Bailey, London EC4M 7BH.

BDO CONSULTING

Can anybody utilise the knowledge and expertise of a **LONDON TRAINED CHARTERED ACCOUNTANT** with a Cambridge law degree (redundant Financial Director) who has had practical experience of German Commerce / hence German speaking with some French. Temporary assignments or special *commissions considered.*

Please write to Box A1945, Financial Times, One Southwark Bridge, London SE1 9HL

QUALIFIED ACCOUNTANT

Chartered loss adjusters require commercially orientated accountant for claims works. Remuneration commensurate to age and experience.

Apply in writing with C.V. to:-

Tony Whittaker, FCCA, FCILA
Cunningham Hart (UK) Limited
International House
1 St. Katharines Way
London E1 9UN

Financial Controller

Financial Services — **Eastern Home Counties**

This highly regarded financial services organisation is a major unit of a prestigious and influential world-wide player. As such it operates throughout the UK and continental Europe with a valuable blue chip portfolio.

Reporting to the Finance Director and supported by a team of 25, your prime objective will be to increase profit, through improved financial control and enhanced management information, while ensuring compliance with legal and regulatory requirements. There is considerable scope for change and you will be expected to develop and drive initiatives on all fronts.

A Chartered Accountant, ideally qualified with one of the 'big six', your strong professional skills will have been honed outside the profession in a major organisation, preferably in the financial services sector. Your confidence to operate at the highest level is based on an assertive, yet very personable style which is equally at home in a people management role where change is a major feature.

A salary circa £40k will be supported by a full package reflective of our client's premier market position. Most attractive however will be the opportunity to make a major impact on their business.

Please send a detailed cv to Neil Beckingham at McCann Erickson Central Limited, 1266 Warwick Road, Knowle, Solihull, West Midlands B93 9LH.

Applications will be forwarded to our client so please list separately any companies in which you are not interested.

McCANN-ERICKSON

Portfolio

Audit Manager
Home Counties - £40k + car

- Operational review
- Career prospects

Major bluechip plc is seeking a bright, commercially oriented Audit Manager with FD potential. A big 6 ACA Manager with at least 5 years PQE and multinational audit experience is required.

Please contact Pippa Curtis quoting ref FT - 9-A

UK Financial Controller
Maidenhead, Berks - to £35k + car

- Entrepreneurial Environment
- Broad ranging role

Small, fast growing and highly successful service company is seeking to recruit a qualified accountant with 3/6 years post qualification experience gained within industry/commerce. Energy, enthusiasm and creativity are all prerequisites.

Please contact Peter Green quoting ref FT - 9-B

Management Accountant
Home Counties - £28,000

- CIMA Qualified
- Significant opportunity

Working in this hi-tec manufacturing environment you will need a commercial outlook coupled with solid experience gained in a relevant industry to fully exploit the potential that this role offers.

Please contact David Brownlow, quoting ref FT 9-C

Derivative Products
City - to £33,000 + MS + bens

- Major European Investment Bank
- ACA + 2 yrs PQE

An outstanding opportunity within the Product Control function of this major player. Responsibilities will include profitability analysis and risk reporting and there will be extensive exposure to front office and senior management. Likely candidates will have experience and a good understanding of complex structured trades for Equity, Commodity and/or Interest Rate Derivatives.

Please contact Joe Thomas quoting ref FT - 9-D

Analyst
South London - £40k + car + benefits

- New department
- International

This major bank requires a qualified, degree educated accountant for a newly created role, which incorporates analysis of the bank's products and services. There will be systems involvement and responsibility for new areas of development.

Candidates should have corporate treasury and capital markets experience.

Please contact Liz Osborne, quoting ref FT - 9-E

Financial Accountant
Merchant Banking
City - to £29,000 + car + benefits

- Prestigious UK Institution
- Excellent Career Opportunities

A newly or recently qualified ACA with an excellent academic and professional pedigree is required to undertake a group accounting position. Tasks include group consolidated accounts, statutory and regulatory reporting and financial responsibility for subsidiary companies.

Please contact Joe Thomas quoting Ref FT - 9-F

Major Consultancy
London - to £45,000 + car

- Financial Services
- Strategic Level Input

High calibre, graduate qualified accountant and/or MBA, with at least two years PQE in a non-routine role in financial services is required for business restructuring, profit improvement, efficiency and cost reduction. Training given.

Please contact Ian Tomisson, quoting Ref FT - 9-G

Interested candidates should send their CV's to the appropriate consultant at Douglas Llambias Associates, 410 Strand, London WC2R 0NS or fax details to 071 379 4820. Telephone number is 071 836 9501.

EDINBURGH 031-225 7744
GLASGOW 041-226 3101

DOUGLAS LLAMBIAS

LONDON 071-836 9501

RECRUITMENT CONSULTANTS

Manager - Group Accounting

City — **c.£42,000 + car + benefits**

This is an exceptional opportunity to make a genuine impact within a prominent, fast moving UK plc, heading up a complex group accounting function. Our client occupies a pre-eminent position in the publishing and entertainment field and is poised to capitalise on its dominance in key markets. In line with its strategic objectives, the Group is committed to reorganising its head office accounts function. The Manager – Group Accounting will play a vital role in this process.

Operating largely on your own initiative, you will not only oversee all aspects of financial accounting, ensuring that statutory reporting requirements are met, but also introduce a revised structure to maximise the effectiveness of your highly qualified team. Up to date technical knowledge is a prerequisite. Other key responsibilities include managing the relationship with external advisors, supporting UK and offshore operating units and working on potential acquisitions and disposals.

A graduate chartered accountant from a leading firm, probably in your early 30's, you will have since gained line accounting experience, preferably outside the profession, but conceivably via a long-term secondment in a client organisation which demanded genuine management skills. You are results-orientated, ambitious and confident, yet team-spirited and diplomatic. You relish change, excel at motivating others and, though at an early stage in your already successful career, thrive in a challenging, high profile role.

Please write, in confidence, enclosing full career details, day and home contact numbers, to Tim Knight, quoting reference N7935.

KPMG Selection & Search
2-3 Dorset Rise, Blackfriars, London EC4Y 8AE

Director of Finance

Surrey — **To £40,000 Package**

This position offers tremendous scope to join an organisation at a vital moment in its evolution and to play a crucial role in ensuring its smooth transition to a proactive, self accounting corporate entity. In the light of forthcoming Incorporation, our client, a thriving Further Education College, wishes to recruit a commercially aware accountant capable of introducing a financial infrastructure which will facilitate the process of change.

In this newly-created role you will assume responsibility for all financial affairs, including the management and motivation of existing accounts staff and, in particular, the establishment of appropriate controls and procedures. You will oversee production of financial, management and statutory reporting and handle treasury and taxation issues. As a key member of the senior management team, you will promote greater financial awareness throughout the College and be actively involved in the business planning process.

Prerequisites for the role include an accounting qualification, a successful track record in a commercial environment, computer literacy and a proven ability to manage change. Your personal attributes include strong leadership qualities, a results-orientated approach and an energetic management style. Above all, you must demonstrate a genuine empathy with the College's commitment to delivering a curriculum which provides first class education and training to the local community.

Please write, in confidence, enclosing full career and salary details, to Tim Knight, quoting reference B2895.

KPMG Selection & Search
2-3 Dorset Rise, Blackfriars, London EC4Y 8AE

General Practice Partners

For offices in London, Manchester and Croydon

We are looking for top quality General Practice partners, preferably with substantial client followings, to join one of the most progressive and diversified medium sized firms in the UK, who have managed to sustain profitable growth even during these difficult times.

This is a unique opportunity for one or more experienced partners, who are team players, looking for long term security in a dynamic, multi-discipline practice.

The qualities we require are

a) a proven track record in attracting and winning nw business
b) strong personality with excellent communicaion and presentation skills
c) currently controlling a portfolio of clients in excess of £250,000

If you would like to discuss this opportunity on a **wholly discreet and confidential basis**, please telephone or write to Stephen Raznick, Managing Partner, Levy Gee, 100 Chalk Farm Road, London NW1 8EH. Telephone : 071-267 4477.

LEVY GEE
CHARTERED ACCOUNTANTS
LONDON • MANCHESTER
WORTHING • CROYDON

GROUP FINANCE DIRECTOR

Midlands — **£55,000 plus, & generous package**

This is a high profile role at the centre of an international, specialist manufacturing group. Working closely with other main board directors and with the heads of finance in the Group's diverse international companies, the Finance Director will play a crucial part in leading the company through its next stage of development.

The principal elements are:- financial performance measurement, appraisal and control, banking relationships and perceptive analysis of businesses with very different profiles. Advice, guidance and persuasion of managing directors will be frank, critical and far reaching.

Professionally qualified candidates must therefore be not only technically excellent, but intellectually able, assertive and commercially highly astute. An ideal background would include time spent in finance and analysis at the centre of a major plc with subsequent financial control and management skills built up at senior level in an operating company or division, manufacturing for international markets.

A direct involvement with acquisition and divestment, an understanding of dynamic market forces and their implications for business together with a knowledge of US reporting conventions and European business methods are essential.

Interested candidates should submit a comprehensive career resumé quoting Reference 33118/FT. The confidentiality of all approaches is strictly guaranteed.

Varley Walker Consulting Limited.
8 Bloomsbury Square, London WC1A 2LP
Tel: 071 831 2092 Fax: 071 831 1467

Varley~Walker
Human Resource Consultants
LONDON · BIRMINGHAM · NEWCASTLE · MANCHESTER · GENEVA

International Corporate Review
Europe/North America/Far East

LONDON BASED

c. £35,000 + BENEFITS

With a turnover in excess of $1 billion, this major International High Technology Group has maintained a leading edge within a fiercely competitive market place. Following a successful process of strategic realignment, a need has now arisen to appoint an outstanding individual to strengthen their International Corporate Review function.

Working closely with senior management across all areas of the business, the role embraces every aspect of commercial and financial management. In addition the successful applicant will be closely involved in monitoring the performance of subsidiary companies across Europe, North America and the Far East, as well as being responsible for feasibility studies, competitor analysis and management reviews. The department is crucial to the long term development and expansion of the Group and therefore requires a candidate of the highest calibre who can provide the following:

- Big "6" qualified ACA
- 1-3 years PQE in a commercial and fast moving environment
- A first class communicator with the demonstrated ability to liaise effectively at senior management level
- Analytical, resourceful, commercially adept
- Aged 26-32
- A clear decision maker with first class technical and interpersonal skills

This represents an outstanding opportunity to successfully impact within a highly ambitious and progressive group. Travel to various locations is likely to involve up to 50% of your time on assignments that will last 2-4 weeks. Sound business management along with the ability to communicate at all levels is vital. Long term career openings exist for candidates who meet or exceed this criteria.

Interested applicants should write to Simon Hewitt or Ron Dougal enclosing a detailed CV at Nicholson International, Search and Selection Consultants, Africa House, 64/78 Kingsway, London WC2B 6AH, quoting reference number 9584, fax your details on 071 404 8128, or telephone 071 404 5501 for an initial discussion.

NICHOLSON INTERNATIONAL

Internal Audit Manager

LEGENT

This rapidly expanding computer software group is looking for an experienced audit professional, reporting to the U.S. Controller, to conduct financial and operational audits. Based in the Thames Valley, the principal areas of operation are UK and Europe with an Agent network in South America and Africa. Candidates should be qualified with good interpersonal skills and the ability to work independently. Experience of establishing or managing an audit function within a multinational organisation is also a requirement. A competitive package of salary and benefits is offered.

Replies to Box A1942, Financial Times, One Southwark Bridge, London SE1 9HL

Bear Stearns
MANAGEMENT ACCOUNTANT

Bear Stearns, a leading firm of American Stockbrokers and Investment Bankers, wants to employ a Management Accountant to be based at its London Office at Canary Wharf. Duties will include analysis of monthly management reports, development of management information systems and focus on expense controls.

We require a qualified C.A. with approximately 2 years experience (preferably in the investment services industry), computer literate and with good communications skills, Interested candidates should send their C.V. to:-

Miss S. Paton
Bear, Stearns International Limited
One Canada Square
London E14 5AD
STRICTLY NO AGENCIES

Schroders
Leasing Accountant

City — **Attractive Package**

Schroders has a pre-eminent position as a leading international merchant and investment banking group. It enjoys an excellent reputation for providing service of the highest quality to its clients throughout the businesses in which it operates.

The group's big ticket leasing business has enjoyed sustained growth since it was established in 1990. As a consequence, there is a need for an able finance professional to join the operation as Leasing Accountant.

This important role is genuinely wide ranging in scope, with key responsibilities which include:-

Accounting - Preparing management accounts; analysing and reporting on the performance of the business.

Administration - Ensuring all administrative systems function efficiently; liaising with Treasury Division regarding liquidity and funding issues.

Project Work - Reviewing and appraising accounting policies, funding strategies and interest rate risks; key member of team implementing sophisticated new software.

Probably aged in their late 20s, candidates should be qualified accountants with a minimum of 2 years' post-qualification experience, ideally in big ticket leasing. Outstanding applicants from less specialised, albeit relevant, financial services backgrounds will also be considered. Computer literacy is essential, and personal qualities should include thorough professionalism, commitment, resilience and a proactive, pragmatic approach.

The attractive remuneration package will comprise a competitive base salary, plus the full range of banking benefits. Promotion prospects within this major group are excellent.

Interested applicants should write, enclosing a detailed CV and details of their current remuneration, to Roger Howel at the address below, quoting reference number 134J.

ST. JAMES ASSOCIATES
MANAGEMENT SELECTION
32 Old Burlington Street, London W1X 1LB Fax: 071-287 2821. Telephone: 071-287 2820.
A GKR Group Company

EAST BERKSHIRE COMMUNITY HEALTH UNIT

Director of Finance and Planning

Salary to £40k+ PRP (3 year rolling contract)

East Berkshire Community Health Unit, providing health services in East Berkshire and surrounding areas, expects to become an NHS Trust from April 1993. The Unit has an excellent track record of achievements, including being a demonstration site for Total Quality Management in the NHS. Current health contracts are valued at £30m. pa and approximately 1800 staff are employed.

THE JOB will be a Board appointment. Key responsibility areas will be.

- Board level policy contribution.
- Finance function.
- Strategic and marketing planning.
- Business development/contract negotiations.
- IS/IT.
- Future development as deputy to Chief Executive.

YOU must have

- A professional accountancy qualification.
- At least 5 years senior level finance experience in a large public or private sector organisation AND at least one of the following:
  Marketing
  Planning
  IS/IT
- Proven ability to motivate others, manage change effectively and work well in a team.
- Good presentation skills.

For an information pack and application details, please telephone Ms Elaine Morgans, Personnel Department, Upton Hospital, Slough, Berks, SL1 2BJ 0753 821441 ext 5046 (ansaphone out of hours) or fax 0753 517163.

Working towards Equal Opportunities.

Finance Director

Service Sector

North West,

c £37,500, Car

This unique operation which is set for further expansion now needs to add particular skills to its board to provide a basis for continued success.

The role will embrace the financial and administrative management of the organisation and will include all statutory accounting, company secretarial duties, strategic and operational input at board level.

Reporting to the Chief Executive you will control a team of approximately eleven staff although the specific reporting roles will be self determined

Specific aspects of the role will include investment appraisal, funding management, treasury, operating revenue accounting and project/contract management.

It is anticipated that the successful candidate will be aged 40-45 with an ACA/ACCA/CIMA qualification and have specific experience covering major development projects in a commercial environment. You will be highly motivated with excellent communication skills, be commercially astute and have a strong desire to contribute both operationally and strategically to the future success of the business.

In addition to an excellent rewards and benefits package the potential for further career progression is possible.

Male or female candidates should submit in confidence a comprehensive c.v. to: J. *Bewley*, Hoggett Bowers plc, *St. James's Court*, 30 *Brown Street*, MANCHESTER M2 2JF, 061-832 3500, Fax: 061-834 8577, *quoting Ref*: M11042/FT

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, WINDSOR and representation throughout EUROPE

Senior Financial Management Role

FMCG Manufacture And Sales

Kent,

To £40,000, Car

An outstanding opportunity to operate in the number two role within this autonomous operating subsidiary of a major US multinational group currently undergoing a restructuring and a centralising of its commercial and accounting activities. The Finance Director requires a mature, resilient and investigative finance professional to assimilate and develop accounting systems and business practices across a pan European network of manufacturing, distribution and sales operations. The successful candidate will also be responsible for the interpretation and consolidation of forecasts, budgets and contribution analyses and will provide key financial advice within the commercial decision making framework of the business.

Candidates will be qualified accountants, aged 30 to 40, with a proven and senior level management accounting background gained in a manufacturing environment ideally involving multi-site experience and exposure to sales and commercial systems. Essential personal qualities include tenacity, astuteness, self motivation and an affinity for overseas travel. Success in this initial troubleshooting role will lead to promotion to the full controllership position

Male or female candidates should submit in confidence a comprehensive c.v. to: K.H. *Thompson*, Hoggett Bowers plc, 5 *London Bridge Street*, LONDON, SE1 9SG, 071 403 7000, Fax: 071 403 3773, *quoting Ref*: N11199/FT

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, WINDSOR and representation throughout EUROPE

Company Secretary

City : Salary from £mid 30's + Car + Banking Benefits

Our client is a major financial services group which has a strong base in Europe and comprehensive coverage in the world's main financial markets.

The Company Secretary's Department now wishes to appoint a confident professional with strong technical company secretarial skills. Reporting to the Group Company Secretary, you will take responsibility for a number of subsidiary boards and will provide support at main board level. The office is responsible for a range of activities which include the management of group insurances, various share schemes and charitable donations, plus liaison with registrars, Stock Exchange and other regulatory bodies. Your ability to provide advice and information to senior Group management will be an important element of your responsibilities.

Preferably aged 35 to 40, and degree educated, you will be a Chartered Secretary, lawyer or accountant with several years post qualification plc holding company experience. You should be able to work independently but will be comfortable both receiving and providing direction within a pressurised professional team. Good interpersonal skills and a well developed written style will be essential to your success in this position. Financial services sector experience is not important.

A competitive salary is offered together with bonus, mortgage subsidy, car and generous supporting benefits package.

Please write - in confidence - with details of your current or most recent package and career to date, to Sue Matheson, at MSL Company Secretary, 32 Aybrook Street, London W1M 3JL.

MSL Company Secretary

SPECIALISTS IN LEGAL AND COMPANY SECRETARIAL APPOINTMENTS

JOHNSON CONTROLS

Price Waterhouse

EXECUTIVE SELECTION

European Controller

Johnson Controls' Automotive *Systems Group is the world's largest* independent supplier of Automotive Seating Systems. Its ability to continually exceed customer expectations among other things through advanced manufacturing systems has ensured the company a record of sustained growth.

Currently Johnson Controls' European Automotive Systems operation (approx. 700 Mio. US$ turn-over; over 4,000 employees) has an opening for a (m/f) **European Controller** for its anticipated European HQ location in the Cologne-Düsseldorf area. Reporting to the European management, you will be responsible for Pan European accounting, investment and asset management, financial systems and consolidations including the *financial direction for the automo*tive seating activities in various European countries with over 20 plants. Given Johnson Controls' active expansion program in Europe, you will also be involved in the acquisition and start up of new business.

Ideally you are a seasoned controlling professional with a degree in Finance, Accounting or Business Administration and with a number of years relevant management experience in a highly multinational environment. Knowledge of manufacturing accounting is a definite requirement. Ability in the beginning to relocate for a period of 2 years within Germany or to Belgium is an advantage. As a European with an age between 38 and 45 you must speak a combination of English and German, with French and/or Spanish being advantageous. Your communication skills will enable you to foster effective relationships with European and plant management to build a true team spirit. The successful candidate will be offered a competitive compensation package as well as real career opportunities.

Please write to Patrick Malvaux, Supervising Consultant-Human Resources Group,
Price Waterhouse
Management Consultants,
boulevard de la Woluwe 62,
1200 Brussels, Belgium,
enclosing a detailed version of your c.v. and quoting reference 1630/802. Or call him at + 32/2/773.14.11.

DIRECTORS

YOUR NEXT CAREER MOVE COULD BE THE MOST IMPORTANT ONE OF YOUR LIFE

Europe's leading outplacement and career management consultancy. InterExec has over 15 years' experience of managing career change for senior executives and many of Britain's largest companies.

By accessing over 6,000 unadvertised vacancies a year, mostly at £40-150,000 p.a. InterExec provides clients with vital market intelligence AND subsidiary, InterMex, makes recommendations from its candidate bank without charge.

For further information call Keith Mitchell on 071-930 5041

INTEREXEC PLC

Landseer House, 19 Charing Cross Road, London WC2H 0ES

ACCESS THE UK'S LARGEST SINGLE SOURCE OF UNADVERTISED VACANCIES

ACCOUNTANT

Small but busy, expanding International brokerage firm seeks experienced qualified accountant. Responsible for accounts through nominal ledger, supervision of staff and reporting to the Group Controller. Experience with computerised accountancy packages required, ACCPAC NL and SYMPHONY/LOTUS 1-2-3- preferred. Excellent communication and organisation skills a must. The ideal candidate would be aged 27-35. Salary commensurate with experience. Replies in confidence enclosing a cv to: Box 1938, Financial Times, One Southwark Bridge, London SE1 9HL.

Price Waterhouse

EXECUTIVE SELECTION

UK Financial Controller

c£35,000 pa + car & benefits High Wycombe – Bucks

Battenfeld UK Ltd, a subsidiary of a *major* worldwide manufacturer of plastic processing equipment, needs a commercially minded Financial Executive to take control of the finance function in the UK. The business revolves around sales, servicing and spares provision of machine parts to a specialist market.

The role has shared reporting lines to the UK executive management and the overseas parent, with key responsibilities which include the provision of accurate management information, the strengthening of accounting controls and the improvement of systems and standards. You will be expected to play a key role in enhancing bottom line profitability and contribute significantly to the UK business plan.

We envisage applicants to be fully qualified accountants, already engaged in an executive capacity with responsibility for budgeting, financial planning and control, and experienced in generating management information which contributes to business efficiency and operation.

You will be effective in managing people and have a keen interest in liaising with engineering technologists in order to manage the business effectively.

There is an attractive benefits package, within a negotiable salary band.

If you feel that you are a match for this key role, please write to Barrie Whitaker, enclosing a full CV with salary details, quoting ref B/1297.
Executive Selection
Price Waterhouse
Management Consultants
Milton Gate
1 Moor Lane
London
EC2Y 9PB
Tel: 071 939 6313
Fax: 071 638 1358

ROBERT HALF & FINANCIAL TIMES INVITE YOU TO A FREE BUSINESS BREAKFAST

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

COMPETITIVE ADVANTAGE

Can a Personnel Function really add value to your business?

on Wednesday 14th October 1992
At The London Marriott Hotel, Grosvenor Square, London W1 8.15am - 9.30am

This Robert Half Breakfast Briefing will be given by Terry Nolan, Personnel Director of Lever Brothers - the international soaps, detergents and hygiene business.

The talk will cover-

- a review of companies personnel strategies during the 1980's and during the present recession.
- the differences between services based on personnel organisations and those which concentrate on designing for the future.
- what is 'competitive advantage' personnel management and what is its place in business strategies.
- the outlook for the post recession 1990's and what that could mean for CED's and personnel functions.
- the critical success factors for competitive advantage in the employment market of the 1990's.

Terry Nolan's career has spanned a wide spectrum of personnel roles within the Unilever group ranging from employee relations assignments in large scale manufacturing units to brown-field re-developments, and from management development and training to specialist remuneration assignments. He has been involved in major change programmes most of his career. His special interest is in redesigning human resource strategies as part of an integrated business process. He is a regular speaker at seminars and conferences

If you wish to attend this free breakfast, please write to Rachelle Nelson at Robert Half, Freepost, Walter House, 418 The Strand, London WC2R 0BR. (Telephone 071-836 3545)

ROBERT HALF
THE HUMAN FACTOR

Places at the Breakfast are strictly limited.

OPERATIONS ACCOUNTANT

Central London c.£40,000 + car

Our clients are a well-known manufacturing group with international operations and a turnover of around £750m. Following an internal promotion a vacancy has arisen in the small central team responsible for management reporting and business appraisal. As well as monitoring business performance, this team has a key contribution to make in the development and implementation of business strategies. The person now to be appointed, a Chartered Accountant, male/female, aged early 30's must, therefore, have had experience at the centre of a substantial company with a strong finance function. Good communication skills across other disciplines are essential, as is computer literacy. Promotion prospects are excellent.

Ref: 2164/FT. Write or telephone for an application form or send full details (with daytime telephone number and current salary) to: R P Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 071-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

COMMODITIES AND AGRICULTURE

Russia astonishes market with uranium profit claim

By Kenneth Gooding, Mining Correspondent

AN ASTONISHING claim that Russia is exporting uranium at a profit, although prices are below the cost of production at most western uranium mines, was made yesterday by Mr Viktor Mikhailov, the Russian Federation's Minister for Nuclear Energy.

His remarks provoked a sharp response by other delegates at the Uranium Institute's annual symposium in London. Mr Phillip Crowson, chief economic adviser to the RTZ Corporation of the UK, one of the world's biggest uranium producers, said: "Most of his arguments are plain nonsense. The Russians and their partners in the US are getting away with murder and the western industry should stand up to them."

Russia faces uranium dumping allegations in the US and, in an oblique reference to this, Mr Mikhailov said in the English version of his text: "The high technical level of our production processes makes it possible to export profitably, even under the conditions of extremely low prices which exist in the world uranium market today.

"We believe that efforts to limit or reduce our exports are unfair and unfortunate."

He said Russia's present production allowed for the export of 3,500 tonnes of uranium a year and an increase to 5,000 tonnes a year was possible.

Money from these exports would be used to buy food, equipment, materials and technology from the west to the benefit of parts of the western economy. "The world community must realise the necessity of actively supporting the irreversible reforms in Russia at this historic moment," he added.

Mr Mikhailov suggested that some of Russia's "substantial" uranium stockpile might be moved to the west, partly to give assurance of supply to western consumers and partly to be held as collateral for loans to his country.

He claimed Russia's share of the uranium market was about 6 per cent and "we believe that it could be as high as 20 to 25 per cent in a market free of artificial restrictions".

Mr Crowson, in a paper to be delivered at the symposium today, suggests that to talk of production costs and the relative efficiencies of the western and Russian industries is "unrealistic," given that the Russian currency is not fully convertible and that "Russian costs of energy and labour are greatly subsidised".

He adds: "That labour costs [in the CIS] and environmental standards are well below western levels is a competitive fact of life, however regrettable. That said, there will be inexorable levelling up tendencies to CIS costs and it is highly doubtful whether the CIS producers could maintain their present output at prices close to present spot market levels."

Mr Crowson dismisses Mr Mikhailov's suggestion that Russia is not winning its proper share of the market. He points out that the Uranium Institute estimates that the CIS produced 10,500 tonnes of uranium in 1991 or 19.3 per cent of the world's total reactor requirements of 54,280 tonnes. "To ignore domestic CIS and east European reactor requirements in looking at relative market shares seems rather extraordinary."

He makes these remarks in the context of a warning to uranium consumers that the present apparent abundance of the material – used solely to produce nuclear energy – "is more apparent than real". He suggests that "market conditions can change very quickly and unexpectedly. When they do, the inevitable scramble for cover will exacerbate any turnaround".

Domestic oil price to double as production slide continues

By Leyla Boulton in Moscow

THE RUSSIAN government will next week more than double the controlled domestic price for oil to boost support for the ailing oil production sector, Mr Viktor Chernomyrdin, deputy prime minister responsible for energy policy, announced yesterday.

He also forecast that oil production would total 395m to 397m tonnes this year, down from 460m the previous year. Exports would reach 57m-58m tonnes, half of which would be delivered to hard currency-paying countries beyond the former Soviet Union. He gave no comparative figure for the previous year, when the Soviet Union was still one country and exported 53.9m tonnes.

He dismissed reports that Russia had suspended deliveries of oil products to Japan and western Europe. But he confirmed that the government planned to centralise exports next year to meet its international obligations better.

Mr Chernomyrdin said the new domestic price would be about Rbs4,000-5,000 a tonne, up from the current range of Rbs1,800-2,200. "If we continue with present prices, the industry will be indebted to the tune of Rbs170bn by the end of the year," he said.

The government was still working out a mechanism for how the new pricing system would work, he said. Despite the liberalisation of most other prices since January, energy and fuel prices have remained regulated in order to protect industry from an oil price shock. While the industry's costs have gone up its revenues have remained fixed. An additional problem is that even at the present prices, enterprises and refineries within Russia and other former Soviet republics have found it difficult to pay for oil deliveries and have continued to receive supplies none the less.

At his first major news conference since his appointment in June, Mr Chernomyrdin said his strategy for overhauling the energy sector had been approved at a government session yesterday. Although he did not go into details, nothing of what he said suggested a major departure from the policies of his young predecessor, Mr Vladimir Lopukhin.

And while he regretted the freezing of the funds of oil and other types of joint ventures in Vneshekonombank, the state-owned bank that once had a monopoly of foreign currency operations, he held out little comfort to the victims, saying his priority was to make sure this never happened again.

Mr Chernomyrdin added that despite President Boris Yeltsin's last minute decision to call off what was supposed to be a ground-breaking trip to Japan, Moscow still expected to receive about $1.4bn in new Japanese financing to overhaul its gas industry and purchase drilling equipment. But he also suggested to an incredulous audience that delays in drawing up new agreements for Japanese companies to take part in additional oil and gas tenders off Sakhalin island had been one of the reasons for the postponement of the presidential trip.

Malaysia feels after-effects of cocoa fever

Growers' enthusiasm has evaporated as prices have plummeted says Kieran Cooke

IN THE late 1970s and early 1980s cocoa fever swept through the small town of Tawau, in the state of Sabah, East Malaysia. "We all had pockets full of cash then" says Mr Nicholas Mok, a local cocoa smallholder. "The bars were full, you even had to book restaurant tables for breakfast – we all bought Mercedes."

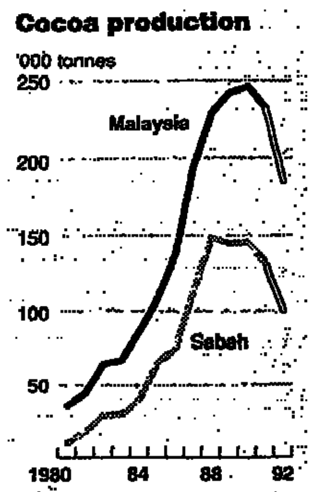
But that was in the good old days when the export price of a tonne of cocoa was more than M$13,000 (£2,615 at the present exchange rate). Now growers like Mr Mok are lucky if they get M$2,500 per tonne and earlier this year prices went as low as M$1,700 a tonne.

Last year Malaysia produced 230,000 tonnes of cocoa – about 10 per cent of world output. Sabah accounts for about 57 per cent of Malaysia's total production, with more than half of the state's output coming from the Tawau area. "There's no doubt that more people are moving out of cocoa production and into palm oil, which is more profitable at the moment," says Mr Hashim Wahab, head of the Malaysian Cocoa Board.

"Something has to be done about pricing – the consumers blame producing countries for overproduction but if there was disease or some other mishap then the consumers would suffer. . . It's as if the consumers – mostly the big chocolate companies – want to kill the goose that laid the golden egg."

Latest cocoa board forecasts are for a drop in Malaysia's production this year to 184,000 tonnes, the lowest since 1986.

It is only recently that Malaysia joined the Ivory Coast, Ghana and Brazil as a major cocoa producer. Commercial growing began in the mid-1950s. In 1960 less than 2,000 hectares (4,950 acres) of land was given up to cocoa. By 1980 there was more than 100,000 ha under cocoa: spurred on by high prices Malaysia's cocoa production climbed by about 30 per cent each year in the mid-1980s.



Source: Department of Statistics Malaysia Malaysian Cocoa Board (1990-92)

BAL Plantations, wholly-owned by the London-based Commonwealth Development Corporation, is one of Tawau's biggest cocoa producers, with 6,000 workers and about 40 per cent of its 16,000 ha estate planted with cocoa trees. Malaysian cocoa production is claimed to be the most efficient in the world: at BAL the aim is to produce about 2,000 kg a hectare. According to Mr Lim Fook Hin, finance controller at BAL, African countries produce only about 500 kg a hectare.

"We are now experimenting with close planting of trees to achieve even higher yields," says Mr Lim. "But we have been losing money for the past three years on cocoa. We are lucky because we have oil palm and rubber production and no debts. It's the mono-crop, highly geared producers who are really suffering". BAL has so far not taken any land out of cocoa production but has made efforts to cut costs, mainly by reducing fertiliser use. "We might lose a small portion of our crop but with the price so bad it's a calculated risk," says Mr Lim.

About 40 per cent of Malaysia's cocoa production is estate-based, the rest from smallholdings. It is estimated that present production costs are about M$3,000 a tonne for the estates and M$2,400 for smallholders.

At the height of the cocoa boom in the late 1970s many speculators with little knowledge of cocoa – several of them formerly involved in Malaysia's tin mining industry – rushed to Sabah to buy land. While cocoa offers a quick return on capital compared to palm oil and rubber, it is a highly sensitive crop and needs careful husbandry. Many of the new planters invested little in fertiliser use and often planted on marginal land.

Mr Lim feels a shake-out is now going on in the cocoa sector. "In the short term only the most efficient producers will survive," he says. "But if the price does not rise within the next two or three years then there could be no cocoa industry left in Sabah."

Malaysian producers concede that there has been global overproduction but argue that consumers often exaggerate world cocoa stock holdings. Malaysia says it is penalised both by European Community tariffs and the quality that discount Malaysian cocoa is subject to on the London market. Meanwhile production costs are rising: labour is in short supply in Sabah and most workers on the plantations are immigrants or "guest-workers" from Indonesia. Costly insecticide has to be used frequently to control disease, particularly the cocoa pod borer, an insect which burrows into the pod, oxidising the beans.

The big European consumers still tend to favour the West African or Ghana cocoa bean. Malaysia and other producing countries have been hit by the dramatic fall in cocoa consumption in what was the Soviet Union. In 1988 the Soviet Union imported 200,000 tonnes of cocoa beans plus an additional 75,000 tonnes of cocoa liquor (one of the extracts of the cocoa processing industry). The forecast for total cocoa imports by the CIS this year is only 25,000 tonnes.

Malaysia feels that while production seems to be falling in Brazil, the west African countries, with few agricultural alternatives, will continue to produce cocoa even at the present depressed price levels. There is also concern about the rapid rise of cocoa output in Indonesia, where labour costs are much lower.

Downstream development is perceived as the most promising solution. In 1990 about 72,000 tonnes or 30 per cent of Malaysia's total cocoa bean production was processed locally. The processing, referred to as grinding, has several stages, producing cocoa liquor, butter, paste, powder or chocolate.

But there are problems. The infrastructure is bad in Sabah and energy costs in the state are double those on the mainland. Cocoa beans from Sabah have to be transported to the Malaysian peninsula or Singapore for onward processing. Singapore, with no cocoa production of its own, processes about 50,000 tonnes of cocoa beans each year. Many of the big chocolate companies prefer to do their own grinding. Some Malaysian producers have made attempts to go into chocolate production themselves but face marketing problems.

The other solution is to search out new markets. China has recently made substantial purchases of Malaysian cocoa beans and there are hopes of a growing market in the East Asia region. The Malaysian Cocoa Board is considering launching a generic advertising campaign aimed at increasing regional cocoa consumption.

Small producers like Tawau's Mr Mok are willing to try anything to survive. "Cocoa trees need shade so above my cocoa I'm growing durian fruits, which are very profitable" says Mr Mok. "In between the cocoa trees I've planted papaya and below I'm growing a special local vegetable. Then I'm also producing kampung [village] chickens. We'll be wiped out if we just sit back and wait for cocoa prices to rise."

Agriculture faces the menace of environmentalism

Montague Keen reports on a post Earth Summit conference in the Netherlands

THE US government will shortly acknowledge that a number of prohibited products ought never to have been banned as carcinogens, according to former US secretary of state for agriculture Mr John Block, now president of America's wholesale grocers' association.

Addressing a post-Earth Summit conference in the Netherlands this week Mr Block accused many critics of agriculture of irresponsible distortion of scientific evidence. The conference, on how environmental issues could affect farm trade, was organised by the International Policy Council on Agriculture and Trade and the Dutch Government.

Few of the representatives from 34 countries disputed an assertion of the former secretary-general of the Brundtland Commission, Mr Jim MacNeill, that the 1990s would see a major increase in unilaterally enacted national laws imposing restrictions on a wide range of products failing to meet environmental – including welfare as well as human, animal or plant health – requirements. Nor did speakers doubt that these restrictions might be used as covert protectionist devices to an extent that could nullify advances made through negotiations on the General Agreement on Tariffs and Trade towards reduction of tariff and non-tariff barriers.

The increasingly dominating role that well organised environmentalism was already playing in industry generally, especially those sectors related to welfare, pharmaceuticals and food, clearly worried speakers from many countries. But of particular concern were fears that ill-informed prejudice would supersede scientific consensus to restrict trade, raise manufacturing costs and impose unwarranted burdens on food producers.

One example was the European Community's maximum permissible nitrate levels in drinking water, the strict enforcement of which, according to Mr Peter Johnson, chief executive of Booker Countryside and an unabashed apologist for British agribusiness, would end internationally-competitive farming in England's bread-basket, even though the rule was in direct conflict with scientific findings.

Likewise the "emotional and altogether hasty banning of Alar", a crop protection chemical applied to apples, had had a serious effect on apple sales. "It does not take long for five supermarket owners supplying over one third of the UK's food to withdraw an item about which they have doubts" warned Mr Johnson.

The welfare issue was another oft-quoted example. Everyone sympathised with the US for being rebuffed by the Gatt panel that had examined the legitimacy of the US ban on tuna fish caught in circumstances hazardous to dolphins.

Most nevertheless endorsed the Gatt view that the governments cannot be allowed to act unilaterally: there must be international agreement. There was more than a hint, however, that US consumers would tolerate no such rebuff. By operating a consumer boycott, they could achieve overnight what ponderous international mechanisms would have taken years to accomplish.

Mr Michael Smith, a leading environmental expert and a former Gatt ambassador, warned that the environment was the trade issue of the decade, and traders would ignore it at their peril. Only by a narrow margin had Californians rejected proposition 65, which effectively would have left scientific judgments on the merits of legislation in the hands of such authorities as Jane Fonda.

But Mr Kenneth Cook, chief author of the conservation and environmental provisions of US Farm Bills, warned that public fears would not be assuaged by being told there was nothing to worry about. Every time there was a scare, the credibility of scientific assurances was reduced, he said.

WORLD COMMODITIES PRICES

MARKET REPORT

Three-month **COPPER** fell below expected support around $2,420 a tonne on the LME as New York opened lower yesterday afternoon. Sentiment was depressed by Chinese liquidation and increased supplies of Russian metal. Prices stabilised on the late kerb, but still closed at $2,414, down $46 from Wednesday and only $2 above the day's low. Analysts say the next major downside objective is $2,380. **ZINC** also weakened with sentiment depressed by this week's general decline in the base metals. The premium for cash metal over three-month narrowed, but traders still see the market vulnerable to renewed tightness in the final quarter. Analysts say there is a band of technical support between $1,310 and $1,320, which is also likely to cushion declines. London's robusta **COFFEE** rebounded from earlier losses after New York arabicas stooped to new lows but managed to uncover some light buying. But most active near November showed little inclination to break out of its current $770 to $800 range. **PLATINUM** was easier in London after running into profit-taking following its advance earlier in the week.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)(Oct)		+ or -
Dubai	$18.30-8.35	
Brent Blend (dated)	$20.30-0.40	+0.05
Brent Blend (Oct)	$20.35-0.40	+0.05
W.T.I (1 pm est)	$21.85-1.90	-.025
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$217-220	-2
Gas Oil	$187-189	
Heavy Fuel Oil	$87-89	+2
Naphtha	$190-191	-2
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$342.30	-0.10
Silver (per troy oz)♣	373.5c	
Platinum (per troy oz)	$361.10	-3.05
Palladium (per troy oz)	$90.75	-0.75
Copper (US Producer)	114.5c	-0.5
Lead (US Producer)	39.4c	
Tin (Kuala Lumpur market)	16.60r	+0.10
Tin (New York)	310.50c	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	110.27p	-0.31*
Sheep (live weight)†♣	70.52p	-2.94*
Pigs (live weight)†	81.95p	+0.28*
London daily sugar (raw)	$246.7w	+0.7
London daily sugar (white)	$283.2w	+3.7
Tate and Lyle export price	£283.2	+3.7
Barley (English feed)	£112.0	
Maize (US No. 3 yellow)	£149.0	
Wheat (US Dark Northern)	Unq	
Rubber (Oct)♥	50.00p	+1.00
Rubber (Nov)♥	50.00p	+1.00
Rubber (KL RSS No 1 Jul)	217.5m	+1.5
Coconut oil (Philippines)§	$515.0t	+2.5
Palm Oil (Malaysian)§	$415.0	+10.0
Copra (Philippines)§	$332.5	
Soyabeans (US)	£134.0z	+1.0
Cotton "A" index	55.80	-0.30
Woollops (64s Super)	368p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. t-Oct/Nov. w-Sep/Oct. y-Sep. u-Oct. z-Nov. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♣Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Oct	216.00	208.00	215.20 207.80
Mar	202.00	200.00	199.60
White	**Close**	**Previous**	**High/Low**
Oct	265.50	263.50	267.00 263.20
Dec	260.50	259.00	261.00 258.50
Mar	264.40	261.50	264.50 261.00
May	265.90	263.90	265.50 263.50
Aug	263.40	268.40	267.00

Turnover: Raw 132 (150) lots of 50 tonnes. White 2372 (1865) Paris- White (FFr per tonne): Oct 1274.12 Dec 1264.90

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low
Oct	20.33	20.40	20.49 20.27
Nov	20.37	20.42	20.51 20.29
Dec	20.34	20.41	20.47 20.28
Jan	20.29	20.33	20.39 20.29
Feb	20.17	20.15	20.20 20.17
May	19.90		19.90
Jun	19.80		19.80
IPE Index	20.34	20.35	

Turnover 24000 (19717)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low
Sep	185.75	185.75	188.25 185.50
Oct	190.00	190.00	191.50 189.00
Nov	192.00	192.50	193.50 191.25
Dec	194.00	194.50	195.50 193.50
Jan	194.00	194.50	195.00 193.25
Feb	189.75	190.00	191.50 190.50
Mar	183.75	184.25	185.75 183.75
Apr	180.50	180.75	182.00 180.25
May	178.25	179.50	180.50 178.25

Turnover 15132 (17992) lots of 100 tonnes

FRUIT AND VEGETABLES

Conference pears are the best fruit buy this week at 34-45p a lb (35-45p), along with English Discovery apples at 25-30p a lb (29-35p) and French Golden Delicious at 29-38p a lb (30-45p), reports FFVIB. British cauliflower continue in plentiful supply, priced between 30-58p each (35-45p), depending on size. British potatoes at 8-12p a lb (10-15p), English primo cabbage at 16-25p a lb (20-25p), and English savoy cabbage, 20-25p a lb (20-25p) complete the vegetable prices this week. There are still plenty of English tomatoes to enjoy at 30-49p a lb (30-45p) as well as Chinese leaves at 50-65p each (50-65p).

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low
Sep	595	602	605 593
Dec	621	630	634 619
Mar	651	660	662 649
May	669	678	680 668
Jul	688	698	698 688
Sep	706	717	715 705
Dec	733	741	736 730
Mar	762		763
May	782		780
Jul	801		799

Turnover: 4029 (5387) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for Sep 9 802.80 (792.77) 10 day average for Sep 10 801.38 (804.02)

COFFEE – London FOX ($/tonne)

	Close	Previous	High/Low
Sep	764	754	764 750
Nov	786	775	785 780
Jan	796	785	794 778
Mar	805	796	799 792
May	813	804	800
Jul	824	820	810

Turnover 2198 (1835) lots of 5 tonnes. ICO indicator prices (US cents per pound) for Sep 9: Comp. daily 45.81 (46.93) 15 day average 46.17 (46.11)

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low
Apr	57.2	57.8	57.5 57.1

Turnover 24 (86) lots of 20 tonnes.

SOYAMEAL – London FOX (£/tonne)

	Close	Previous	High/Low
Oct	-	119.50	

Turnover 0 (25) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low
Sep	1090	1091	1094 1090
Oct	1165	1170	1175 1164
Nov	1166	1176	1166 1161
Jan	1215	1215	1220 1210
Jul	1115	1115	1117 1115
Oct	1300	1300	1300
BFI	1055	1056	

Turnover 305 (171)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low
Sep	114.50	114.00	114.50
Nov	115.75	115.75	116.00 115.75
Jan	119.75	119.85	119.75
Barley	**Close**	**Previous**	**High/Low**
Nov	112.65	113.00	112.65
Jan	116.50	116.80	116.70 116.50
Mar	119.50	119.75	119.50

Turnover: Wheat 136 (359), Barley 51 (47). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Nov	106.5		106.0

Turnover 2 (2) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 44,981 lots
Cash	1270-1	1274-5	1270	1269.5-70		
3 months	1293-4	1297.5-8	1296/1292.5	1292.5-3	1295-6	178,313 lots
Copper, Grade A (£ per tonne)						Total daily turnover 35,353 lots
Cash	1213.5-4.5	1238-9	1226/1227	1228-8.5		
3 months	1242-2.5	1266.5-7	1258/1239	1255-6	1241.5-2	146,867 lots
Lead (£ per tonne)						Total daily turnover 2,066 lots
Cash	326.5-7.5	326.5-7.5		327.5-8		
3 months	334-6	334-4.5	336/334	335.5-6	334-4.5	28,534 lots
Nickel ($ per tonne)						Total daily turnover 5,907 lots
Cash	6920-30	6920-30	6890/6880	6880-2		
3 months	6995-7000	6990-7000	7010/6915	6952-3	6990-700	29,881 lots
Tin ($ per tonne)						Total daily turnover 2,762 lots
Cash	6880-90	6880-5	6890	6887-8		
3 months	6735-40	6720-5	6755/6725	6733-5	6735-40	11,487 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 18,299 lots
Cash	1353-5	1376-7	1353/1351	1350.5-1.5		
3 months	1333-4	1344-5	1335/1327	1327-8	1328-8.5	66,174 lots

LME Closing £/$ rate: SPOT: 1.9760 3 months: 1.9432 6 months: 1.9060 9 months: 1.8740

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	342.10-342.50	
Opening	341.20-341.60	
Morning fix	341.75	174.096
Afternoon fix	342.25	173.247
Day's high	342.85-343.25	
Day's low	341.20-341.60	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.48	6 months	2.47
2 months	2.46	12 months	2.54
3 months	2.46		

Silver fix	p/troy oz	US cts equiv
Spot	189.80	373.00
3 months	194.65	375.70
6 months	199.85	378.85
12 months	210.05	385.30

GOLD COINS

	$ price	£ equivalent
Krugerrand	341.50-343.00	174.00-175.00
Maple leaf	352.75-355.00	-
New Sovereign	82.00-84.00	42.00-43.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Oct	Jan	Oct	Jan
1250	36	67	5	14
1300	8	37	27	38
1350	3	17	70	62
Copper (Grade A)	**Calls**		**Puts**	
2350	65	98	9	36
2400	33	67	26	57
2450	13	45	65	84
Coffee	**Nov**	**Jan**	**Nov**	**Jan**
750	53	69	17	23
800	26	42	40	46
850	12	25	76	79
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
600	40		18	
625	27	59	31	33
650	18	46	47	45
Brent Crude	**Oct**	**Nov**	**Oct**	**Nov**
2000	32	72	2	26
2050	3	42	11	50
2100	2	22		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Sep	342.2	342.2	0	0
Oct	342.7	342.7	343.0	342.4
Nov	343.3	343.3	0	0
Dec	344.2	344.2	344.8	343.8
Feb	345.7	345.7	345.9	345.2
Apr	347.1	347.2	347.2	347.2
Jun	348.7	348.8	0	0
Aug	350.4	350.5	350.6	350.5
Oct	352.2	352.3	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Oct	358.8	361.9	362.5	358.5
Jan	358.5	359.4	360.5	355.0
Apr	356.3	358.4	359.0	358.0
Jul	356.3	359.4	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Sep	370.1	370.9	370.5	369.0
Oct	370.8	371.4	0	0
Nov	371.5	372.3	0	0
Dec	373.2	374.0	375.0	373.0
Jan	374.5	375.3	0	0
Mar	376.8	377.6	379.0	376.5
May	379.2	380.0	381.0	380.0
Jul	381.5	382.3	383.0	383.0
Sep	383.9	384.7	0	0
Dec	387.9	388.7	390.0	390.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	106.10	108.70	107.70	106.10
Oct	106.30	109.00	109.00	106.30
Nov	106.65	109.40	108.00	107.70
Dec	106.95	109.60	108.60	106.90
Jan	107.30	109.80	108.20	107.40
Feb	107.35	109.75	108.25	107.40
Mar	107.20	109.70	108.60	107.15
Apr	107.20	109.45	108.00	107.20
May	106.75	109.10	108.30	106.70
Jun	106.50	108.65	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	9.64	9.31	9.70	9.31
Mar	9.19	8.99	9.22	8.95
May	9.18	8.96	9.20	8.95
Jul	9.13	8.94	9.13	8.96
Oct	9.02	8.88	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Oct	21.88	21.99	22.08	21.81
Nov	21.75	21.83	21.90	21.67
Dec	21.65	21.71	21.77	21.57
Jan	21.55	21.58	21.63	21.48
Feb	21.42	21.45	21.45	21.35
Mar	21.30	21.33	21.32	21.28
Apr	21.20	21.21	21.20	21.17
May	21.09	21.10	21.09	21.05
Jun	21.00	20.99	21.00	20.93
Jul	20.93	20.90	20.92	20.86

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Oct	6180	6173	6235	6170
Nov	6265	6272	6325	6275
Dec	6395	6391	6430	6380
Jan	6435	6422	6465	6420
Feb	6330	6323	6360	6325
Mar	6100	6093	6150	6105
Apr	5905	5893	5905	5905
May	5725	5738	5750	5725
Jun	5660	5646	5670	5660
Jul	5640	5628	5650	5640

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Sep	1028	1030	1036	1025
Dec	1069	1074	1074	1055
Mar	1121	1126	1124	1108
May	1152	1155	0	0
Jul	1177	1180	0	0
Sep	1212	1215	0	0
Dec	1242	1245	0	0
Mar	1283	1288	0	0
May	1307	1310	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Sep	50.00	49.40	50.25	48.70
Dec	51.40	50.90	51.50	49.80
Mar	53.10	52.80	53.20	51.65
May	57.15	56.75	57.25	55.75
Jul	58.95	58.60	58.80	57.75
Sep	60.70	60.50	59.70	59.70
Dec	63.75	63.50	63.50	63.00

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	55.40	55.07	55.90	55.25
Dec	53.60	53.69	54.19	53.50
Mar	54.43	54.65	55.10	54.35
May	55.10	55.40	55.60	54.95
Jul	56.60	56.12	56.60	56.65
Oct	57.16	57.38	57.50	57.50

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	119.85	117.85	119.85	118.00
Nov	117.20	115.86	117.50	115.25
Jan	116.25	115.10	116.90	115.30
Mar	116.55	115.50	117.50	115.60
May	117.25	116.25	117.15	116.00
Jul	116.75	115.75	0	0
Sep	116.75	115.75	0	0
Nov	116.75	115.75	0	0
Jan	116.75	115.75	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Sep 10	Sep 9	mnth ago	yr ago
1501.6	1502.1	1524.9	1666.6

DOW JONES (Base: Dec. 31 1974 = 100)

	Sep 9	Sep 8	mnth ago	yr ago
Spot	118.29	118.67	113.87	117.69
Futures	115.18	115.76	114.77	123.01

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Sep	562/2	564/2	564/4	560/4
Nov	554/4	557/0	555/4	552/6
Jan	561/4	564/0	562/2	559/4
Mar	570/2	572/2	570/4	568/0
May	577/0	577/6	577/0	574/4
Jul	583/4	585/0	584/0	581/6
Aug	584/0	584/6	584/0	582/4

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Sep	18.86	18.79	18.87	18.73
Oct	18.91	18.86	18.92	18.79
Dec	19.22	19.16	19.25	19.07
Jan	19.35	19.33	19.37	19.27
Mar	19.64	19.63	19.65	19.52
May	19.92	19.90	19.92	19.80
Jul	20.14	20.16	20.14	20.06
Aug	20.23	20.27	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Sep	175.7	176.6	176.5	175.0
Oct	192.5	193.9	193.4	192.1
Dec	192.2	193.7	193.2	191.7
Jan	191.8	192.8	192.4	191.1
Mar	190.9	192.0	191.8	190.6
May	190.7	192.0	191.5	190.3
Jul	192.0	193.7	192.8	191.8
Aug	192.8	193.5	193.5	192.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Sep	223/6	227/0	226/0	223/4
Dec	218/6	222/0	220/4	218/4
Mar	227/0	230/4	228/6	226/6
May	233/2	236/2	234/6	233/0
Jul	237/4	240/4	239/6	237/2
Sep	237/6	240/2	238/6	237/6

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Sep	327/0	329/2	327/0	329/6
Dec	339/0	342/0	340/0	338/4
Mar	346/4	347/0	347/0	342/4
May	340/6	341/0	341/0	337/0
Jul	320/6	320/2	321/4	318/4
Sep	325/4	324/4	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	75.675	75.425	75.700	75.400
Dec	73.575	73.675	73.725	73.425
Feb	72.525	72.500	72.575	72.425
Apr	73.375	73.375	73.500	73.300
Jun	70.325	70.300	70.375	70.250
Aug	68.900	68.850	68.600	68.800

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	41.575	41.100	41.800	41.300
Dec	42.150	42.050	42.350	41.950
Feb	40.900	40.800	40.950	40.550
Apr	39.050	38.950	39.150	38.900
Jun	44.425	44.525	44.700	44.350
Jul	44.425	44.500	44.650	44.400
Aug	43.400	43.475	43.600	43.300

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	41.600	40.800	41.650	40.875
Mar	41.400	40.600	41.450	40.700
May	42.800	41.950	42.800	42.050
Jul	43.050	42.200	43.050	42.725
Aug	42.550	42.200	42.550	42.100

LONDON STOCK EXCHANGE

Equities brush off CBI retail survey

By Terry Byland, UK Stock Market Editor

CALMER foreign exchange markets, firmer government bonds and a batch of satisfactory trading results from leading British companies helped UK stocks yesterday to brush off the effects of a highly gloomy survey of retailing from the Confederation of British Industry.

After some initial uncertainty, share prices staged a rally from the losses of the two preceding sessions. The FT-SE Index closed 13.1 up at 2,340.6, near the day's best level.

Nervousness over the dramas seen this week in European currencies continued to overhang equities. Although a shade easier against the D-Mark when equity trading closed, the pound had turned in a firmer performance for most of the day, and this set the stage for a better showing in the stock market.

Share prices opened firmer but lost heart as traders absorbed the details of the CBI's report on retailing, which said that shop sales fell in August for the third consecutive month. More worrying for the market was the opinion of the CBI members that no improvement is in sight this year, which suggested that any prospects of a consumer-led recovery from the UK recession are even further away than feared.

However, sterling's rally after touching its DM low on Wednesday night proved a stronger factor in the stock market and shares resumed their advance to show a 14.8 rise, putting the Footsie at 2,342.3 at mid-session. But support faded away in the second half of the session and it was not until Wall Street opened 11 Dow points higher that London regained its impetus.

Satisfactory trading results from Glaxo, the pharmaceutical stock which features strongly in almost every fund managers' portfolio, also helped sentiment, and there were no unpleasant surprises from the rest of the day's corporate reporting list. Safety first is still the investors' watchword, and fund managers will have no truck with any stock where the dividend is thought to be at hazard.

Most of the share gains came among those stocks hit hard by company news disclosed earlier in the week. Seaq volume increased to 485.6m shares and traders believed that the proportion of retail, or customer, business was higher. Wednesday's Seaq total of 400.9m shares represented retail business worth only £761.7m, still unimpressive in terms of market profitability.

Even the battered retail and consumer share sectors managed to shrug off the implications of the CBI survey to record a few scattered gains as the steadier trend in sterling soothed some of the worries regarding the outlook for UK interest rates and high street spending prospects.

Some London-based securities houses are now daring to ask themselves what would happen if the French vote "no" in the Maastricht referendum on September 21; some hardy spirits suggest that this might make life easier for the UK equity market by making a sterling devaluation more possible – although Mr Ian Harnett at Strauss Turnbull warned that such hopes could prove a "Fools' Paradise".

Account Dealing Dates		
*First Dealings:		
Aug 24	Sep 7	Sep 21
Option Declarations:		
Sep 3	Sep 17	Oct 1
Last Dealings:		
Sep 4	Sep 18	Oct 2
Account Day:		
Sep 14	Sep 28	Oct 12

*New time dealings may take place from 8.30 am two business days earlier.

Deal hint helps the generators

THE two big power generators, National Power and PowerGen, were the best performers in the FT-SE 100 Index, advancing 9.6 per cent and 7.4 per cent respectively, on hints that a new coal supply deal with British Coal, favourable to the generators, is about to be announced.

Negotiation of a new contract with the power generating companies is a pre-requisite for the government's privatisation of British Coal which is planned to proceed later this year.

Utilities specialists were not entirely convinced by the rumours and British Coal insisted that the supply deal is still in negotiation. One analyst said the rumours perhaps referred merely to proposals put forward by the generators, adding that there was a significant risk that a new deal may not be agreed before the September 16 deadline. In that case, the government would impose its own terms, which might not be viewed favourably in the stock market.

National Power closed 22½ stronger at 257p after volume of 13m shares, and PowerGen 18½ up at 270p on 12m traded.

Vickers upset

Engineering group Vickers registered the day's biggest percentage fall after trading worries and technical factors upset the shares. Problems are said to have surfaced during trials of Vickers' Challenger 2 tank, and a leading securities house is reported to have taken a particularly bearish stance because of continued poor sales at its Rolls-Royce Motor Cars subsidiary.

A line of stock was said to have been on offer early in the session. At worst the shares were down 18 but came off the bottom with the market to end a net 14 off at 84p, their lowest close since January 1985.

Cadbury caution

Foods concern Cadbury Schweppes fell 14 to 415p on reflection of the group's interim figures. The profits, at £121.5m, were above the range of analysts' forecasts but the subsequent meeting provoked caution and full-year estimates were brought back to the £335m level. Cadbury said its main markets were still difficult and exchange rates would have an increasingly negative impact in the second half.

The effect of Cadbury's results ran over into the performance of United Biscuits, which is due to release first-half figures today and retreated 10 to 235p.

Full-year profits from pharmaceuticals group Glaxo were in line with forecasts but the shares closed 7 down on the day at 746p with 7m traded.

It was a classic case of its being better to travel than arrive. The shares had risen ahead of the figures and would have only improved further on unforeseen good news.

Goldman Sachs analyst Mr Paul Krikler said of the £1.427bn profit: "I think these are good figures and show the underlying strength of the company and its products." Most analysts were particularly pleased by the continued growth of Glaxo's headline anti-ulcer drug Zantac.

London International Group recovered 12 to 174p after agency broker James Capel published a note pointing out that the shares were cheap at the current level.

The latest batch of results from a building sector reeling from dividend cuts and trading losses provided much needed relief. John Laing turned in profits slightly down from last year's but generally well ahead of most estimates, and a same again dividend. The post-results meeting with building analysts was said to have gone extremely well and the shares rose sharply by 11 to 120p.

Blue Circle declined to 127p before rebounding to finish unchanged at 134p after delivering half-year profits in line with most forecasts and a maintained interim dividend.

Amec, however, was the latest of the housebuilder/contractors to chop its interim, halving the payment and saying the final would get the same treatment. The stock retreated to 58p before ending a net 7 down at 60p.

Enterprise Oil forged ahead 6.4 per cent, clawing back some of the ground lost last week when Hoare Govett, acting for a single institution, sold a 2.1 per cent block of the shares.

The rise, which left the stock 19 higher at 317p, followed a maintained interim dividend and slightly higher than expected net profits. Mr Alan Sinclair at Smith New Court said that with its production profile growing the shares "should be nearer 350p", and offered good long term attractions.

Shell appreciated 6 to 467p as the market displayed its satisfaction with the near 4¼ per cent increase in the interim dividend, at the top end of expectations and "enough to keep the market reasonably happy", said Mr Keith Morris of Carr Kitcat & Aitken.

FT-A All-Share Index

1,250	
1,200	
1,150	
1,100	
1,050	
J A S	
1992	

Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover

700	
600	
500	
400	
300	
200	
100	
0	
J A S	
1992	

A couple of big trades in National Westminster accounted for much of the day's business of 4.6m shares and the stock settled 2 higher at 319p. Prudential was aggressively bought, adding 9 at 245p, still boosted by Wednesday's excellent results.

Textiles company Coats Viyella receded 10 to 155p after warning that second-half profits were likely to be affected by conditions in Brazil, poor UK trading, a weaker dollar and a debt level which remained higher than expected. Forecasts for the full year were chopped by around £5m to the £125m level.

The world's biggest mining group, RTZ, recovered 22 to 514p after announcing increased interim results.

Food distributor and manufacturer Booker dropped 22 to 325p after reporting lower than expected half-time profits. The company also said it had seen no sign of an end to recession.

J. Sainsbury was under continued pressure, with a seller of 800,000 shares prompting the stock price to slide 16 to 430p.

A 7 per cent increase in half-year profits and improved dividend at conglomerate BTR helped the shares jump 20 to 425p in brisk trade of 4.9m.

Paper recycler David S. Smith saw very heavy turnover after Credit Lyonnais Laing crossed a block of 3m shares, more than 2.4 per cent of the shares in issue, between institutions at 250p. The stock fell 20 to 253p.

Granada Group dipped 6 to 240p. A leading broker was reported to have bought a block of around 5m shares at 239p and started selling them at 240¼p.

MARKET REPORTERS:
Steve Thompson,
Joel Kibazo,
Peter John.

■ Other market statistics, Page 23

FINANCIAL TIMES STOCK INDICES

	Sept 10	Sept 9	Sept 8	Sept 7	Sept 4	Year Ago	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs	88.91	88.53	88.98	89.46	89.38	87.05	89.76 (3/7)	85.11 (1/4)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	105.38	104.90	105.34	105.50	105.44	95.89	106.35 (6/7)	97.15 (2/1)	106.35 (6/7/92)	50.53 (3/1/75)
Ordinary Share ●	1707.4	1696.7	1710.6	1733.4	1729.0	2071.9	2149.7 (22/5)	1670.0 (1/9)	2149.7 (22/5/92)	49.4 (26/6/40)
Gold Mines	65.0	66.6	68.6	72.9	74.5	162.8	160.6 (10/1)	65.0 (10/9)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2340.6	2327.5	2337.7	2372.2	2362.2	2630.6	2737.8 (11/5)	2281.0 (25/8)	2737.8 (11/5/92)	986.9 (23/7/84)
FT-SE Eurotrack 200	1067.55	1059.86	1066.61	1074.64	1073.24	1181.61	1248.79 (11/5)	1029.56 (25/8)	1248.79 (11/5/92)	938.62 (16/1/91)
●Ord. Div. Yield	5.22	5.23	5.21	5.13	5.15	4.61				
●Earning Yld %(full)	7.51	7.57	7.57	7.45	7.48	7.47				
●P/E Ratio(Net)(*)	16.86	16.69	16.69	16.96	16.90	16.71				
SEAQ Bargns 5.00pm	16,387	15,339	15,282	15,106	24,626	28,162				
Equity Turnover(£m)†	-	761.7	628.2	536.4	923.5	892.7				
Equity Bargains†	-	18,548	15,782	17,558	26,285	28,168				
Shares Traded (ml)†	-	387.5	307.5	268.1	462.5	393.2				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. * Nil 15.64

Ordinary Share Index, Hourly changes — Day's High 1709.7 — Day's Low 1696.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1703.2	1699.4	1701.0	1707.7	1704.1	1702.1	1701.7	1704.3	1709.7

FT-SE 100, Hourly changes — Day's High 2343.5 — Day's Low 2331.2

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2333.9	2332.9	2335.2	2340.6	2338.4	2336.9	2335.6	2337.7	2343.2

FT-SE Eurotrack 200, Hourly changes — Day's High 1068.86 — Day's Low 1060.18

Open	10.30 am	11 am	12 pm	1 pm	2 pm	3 pm
1061.79	1061.08	1064.03	1064.47	1064.76	1064.51	1065.78

GILT EDGED ACTIVITY

Indices*	Sept 9	Sept 8
Gilt Edged Bargains	89.6	92.0
5 – Day average	99.6	97.6

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share index: Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	4	375		Comm Union	589	475	+1	Lonrho	1,400	87	-2	Shell Transport	2,100	467	+6
ASDA Group	9,200	27		Cookson	533	157	-1	Lucas	666	90	+2	Siebe	2,700	204	+9
Abbey National	1,100	265	+3	Courtaulds	543	431	+2	MB Caradon	442	221	+1	Slough Ests	238	94	-1½
Albert Fisher	630	35	-1	Dalgety	557	384	-1	MEPC	519	274	+1	Smith (W.H.) A	249	370	+1
Allied-Lyons	2,000	551	+1	De La Rue	63	544		Marwell	646	440	+6	Smith & Nephew	545	131½	+1
Amstrad	115	20		Dixons	747	198	+2	Marks & Spencer	2,000	312	+3	SmKl Beecham	1,800	480	+4
Anglian Water	138	438	+4	Eastern Elect	1,600	358	+5	Midlands Elect	782	419	+13	SmKl Beecham Uts	1,300	425½	-½
Argos	807	222	-2	East Midland Elect	1,100	334	+6	NFC	473	223	+5	Smiths Inds	1,100	365	
Argyll Group	4,100	331	+2	Eng China Clays	6,500	367	-10	NatWest Bank	4,600	319	+2	Southern Elect	1,300	465	+8
Arjo Wiggins	1,400	186	-7	Enterprise Oil	2,700	317	+19	National Power	13,000	257	+22½	South Wales Elect	132	457	+6
Ass Brit Foods	90	392		Eurotunnel Units	3	359	+1	Next	419	91		South West Water	6,800	430	+7
Ass Brit Ports	1,300	215	-11	FKI	1,500	65	-1	North West Water	1,700	444	+7	South West Elect	307	407	+11
[illegible]															
Bowater	322	738		Hillsdown	8,200	89	+5	Reuters	312	1096	+13	United Biscuits	1,800	235	-10
Brit. Aerospace	684	203	-2	IMI	58	230	+2	Rolls Royce	4,000	122½	+1½	Utd. Newspapers	19	370	+1
British Airways	2,600	265	+4	ICI	932	1368	+11	Rothmans	203	530	-1	Vodafone	3,500	389	-1
British Gas	5,300	230	-4	Inchcape	3,900	400		Ryl Bk Scotland	1,700	151	+2	Warburg (SG)	156	432	-7
British Land	683	142	-1	Kingfisher	1,500	445	+2	Royal Insurance	873	140	+3	Wellcome	4,900	848	+3
British Steel	10,000	49½	+2	Kwik Save	334	637	+7	Saatchi	14	134		Welsh Water	211	453	+8
Bunzl	1,900	89	+2	Ladbroke	2,800	150	-1	Sainsbury	3,900	430	-16	Wessex Water	376	506	+12
Burmah Castrol	2,600	573	+3	Land Securities	240	356	+2	Scottish & New	326	409	+6	Whitbread 'A'	1,800	399	-1½
Burton	3,000	32½	+1	Laporte	20	452	+1	Scot. Hydro-Elect	2,400	212	+½	Williams Hldgs	3,100	234	
Cable & Wire	2,100	511		Legal & General	887	308	+8	Scottish Power	7,000	188	+6	Willis Corroon	132	156	+4
Cadbury Schweppes	4,800	415	-14	Lloyds Abbey	554	303		Sears	1,700	65	-1½	Wimpey	1,300	71	+4
Calor Group	259	184	+5	Lloyds Bank	1,300	398	+2	Sedgwick	509	116		Wolseley	573	294	+3
Carlton Comms.	719	573		LASMO	833	124		Seaboard	734	407	+11	Yorkshire Elect	800	447	+6
Coats Viyella	2,700	156	-10	London Elect.	1,700	389	+7	Severn Trent Water	2,200	413	+3	Yorkshire Water	155	476	+2

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

A CLUTCH of favourable corporate results, together with a steadier performance in fixed interest markets, sent stock index futures forward in thin trade, writes Joel Kibazo.

The September contract on the FT-SE opened at 2,342, a 10-point premium to the cash market, and moved ahead, boosted by good results from several of the UK's leading companies.

The release of a CBI report showing a decline in high street sales for August led to a mid-morning setback in the contract. This, however, proved to be temporary and the contract was soon in demand again. It traded in a tight range of 2,340 and 2,350 for the next few hours before a bout of profit-taking just before the opening on Wall Street led to a retreat.

The firm start in New York, together with the performance in the currency and fixed interest markets, once again helped September regain momentum and it finished at 2,353, up 17 from the previous session and at a 10-point premium to cash. Turnover, at 7,228, was thin.

In traded options, volume was poor at 26,423. The FT-SE 100 option was active, trading 10,889 lots. National Power was the busiest stock option, with 4,514 contracts dealt.

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1992. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Thursday September 10 1992

NEW HIGHS AND LOWS FOR 1992

NEW HIGHS (6).
BREWERS (1) Holt, ELECTRICITY (1) Scot. Hydro, FOOD MANUF (1) Nestle (Reg), INV TRUSTS (2) Jupiter Euro. Zero Pfd., River Plate Zero Pf, MISC (1) Bluebird Toys.
NEW LOWS (188).
CANADIANS (3) Can. Pacific, Inco, Intl. Corona, BREWERS (3) Fosters, Highland, Merrydown, BLDG MATLS (9) Baggeridge

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
Treas 8¼pc 1993		98⅛	—	98⅔	97⅔	8.32	9.88
10pc 1993‡‡		99⅞xd	—	100½	99⅞	10.01	10.34
12½pc 1993‡‡		101⅞	—	102⅞	101¼	12.28	10.16
Funding 6pc 1993‡‡		97⅛xd	-⅛	97⅞	95⅛	6.17	8.84
Exch 13¼pc 1996‡‡		109⅝	+⅛	112⅞	108½	12.08	10.07
Conversion 10pc 1996		100⅛	+⅛	103⅛	98⅞	9.94	9.82
Treas 13¼pc 1997‡‡		111¼	+⅛	114⅞	110⅛	11.91	9.99
Exch 10½pc 1997		102⅝	+⅛	105⅞	100⅞	10.23	9.76
Treas 8¾pc 1997‡‡		96⅛	+¼	99⅛	94	9.06	9.65
Five to Fifteen Years							
Exch 15pc 1997		119⅞	+⅛	123⅞	118⅛	12.56	10.02
9¾pc 1998		100⅛	+⅛	103⅛	97⅞	9.73	9.70
Treas 6¾pc 1995–98‡‡		88⅛	+⅛	89⅛	86⅞	7.48	9.02
15½pc '98‡‡		125⅛xd	+⅛	129⅛	123⅛	12.40	9.93
Exch 12pc 1998		109⅞	+⅛	113¼	107⅞	10.93	9.83
Treas 9½pc 1999‡‡		100⅛	+⅛	103⅛	97⅛	9.48	9.46
Exch 12¼pc 1999		111⅞xd	+¼	115⅛	109½	10.98	9.82
Treas 10½pc 1999		104⅝	+⅛	107⅞	101⅞	10.06	9.60
Conversion 10¼pc 1999		103⅛	+⅞	106⅞	100⅞	9.92	9.60
9pc 2000‡‡		98⅛	+⅞	100⅞	94⅝	9.17	9.36
Treas 13pc 2000		117⅛	+½	121⅛	114⅞	11.08	9.78
10pc 2001		103½	+⅛	106¼	99⅞	9.66	9.39
14pc '98–01		116⅞	+⅛	121	115⅞	11.97	10.02
9¾pc 2002		102⅞	+⅛	105⅜	98⅝	9.47	9.30
Treas. 9pc 2012		101⅛	+⅞	102⅛	93⅞	8.88	8.86
9pc 2012 A		101⅞	+⅞	101½	97⅝	8.88	8.87
Treas 5½pc 2008–12‡‡		69⅞	+⅞	70⅞	62⅞	7.86	8.68
7¾pc 2012–15‡‡		89⅞	+⅞	90⅞	81⅞	8.67	8.84
Exch 12pc '13–'17		128⅞	+¾	130⅞	120⅛	9.35	8.81
Treas 8¾pc 2017		99⅞	+¼	101	95⅞	8.94	8.81
8¾pc 2017 A‡‡		39⅞	+¾	40	35⅞	8.80	8.81
Undated							
Consols 4pc		43⅞	+⅞	44⅛	39⅞	9.16	—
War Loan 3½pc‡‡		38⅞	+⅞	38⅞	35⅞	9.02	—
Conv 3½pc '61 Aft		62⅛xd	+⅞	62⅞	59	5.62	—
Treas 3pc '66 Aft		32⅞xd	+⅛	33⅛	29⅞	9.14	—
Consols 2½pc		27⅞xd	+⅛	28⅞	24⅞	8.95	—
Treas. 2½pc		27⅞xd	+⅛	28⅛	24⅞	9.21	—

BRITISH FUNDS - Cont. — Index-Linked

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int. (1)	Yield Red. (2)
Treas. 2pc '94	(102.9)	125⅞	—	127⅝	122⅛	3.28	4.74
2pc '96	(67.9)	178⅛xd	—	184¼	176⅝	4.15	4.78
2½pc '01	(78.3)	142⅛xd	+⅛	148⅞	141¼	4.63	4.95
2½pc '03	(78.8)	137½	+⅛	144⅞	137	4.85	4.92
African Dev 11⅛ 2010		113⅞	+⅞	115⅞	105⅞	9.81	9.51
Asian Dev 10¼pc 2009		107⅞	+⅞	109⅞	100⅛	9.54	9.35
B'ham 11½pc 2012		111½	+½	113½	102¼	10.31	10.15
Ireland Cap 8½pc '10		91	—	99¼	88⅛	9.34	—
9pc Cap 1996		93¼	+¼	99¼	90	9.65	—
13pc '97–02		106½	+½	115½	103⅞	12.21	—
Hydro Quebec 15pc 2011		139⅛	+1⅛	141⅞	130⅞	10.77	10.23
Leeds 13½pc 2006		124	+½	125	116¼	10.89	10.24
Liverpool 3½pc Irred		33	+½	34	30	10.61	—
LCC 3pc '20 Aft		31	+½	31½	27	9.60	—
Manchester 11½pc 2007		109¾	+½	111¼	103¼	10.48	10.22
Met Wtr 3pc 'B'		61¼	+½	61¾	53	4.99	8.70
N'wide Anglia 3¾pc 2021		105	+½	111¼	103¼	—	5.68
4⅛pc IL 2024		105	+½	110¼	103¼	—	5.39
Utd Mex States 16½pc 2008		124	+½	128	121½	13.31	12.82

OTHER FIXED INTEREST

LONDON SHARE SERVICE

AMERICANS

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING - AEROSPACE

ENGINEERING - GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

Authorised by the Inland Revenue

INVESTMENT TRUSTS - Cont.

هكذا عن الأصل

INVESTMENT TRUSTS - Cont.

	Notes	Price	+or -	1992 high	low	Yld Gr's	NAV	Dis or Pm(-)
Scottish Inv.	♣†	149	—	178	147	3.9	182.7	18.5
Warrants		27	-1	38	21	—	—	—
Scot Mortgage	♣	137½	+½	167	135	3.8	164.0	16.1
Scot National Inc	♣	85	-1	107	67½	17.1	—	—
Cap.		17	—	42	12½	—	—	—
Stepped Pf		137¾xd	+½	142	128	5.9	—	—
Zero Div Pf		104	-½	107½	100½	—	—	—
Warrants		3½	—	9	3	—	—	—
Scot Value	†n	57¼xd	—	64	48	4.2	57.0	0.4
Sec Alliance	†	1089	—	1203	1066	4.3	1242.6	12.4
Second Market	§	230	—	244	222	0.8	283.5	19.0
Sec Tst Scot	♣	62	—	75½	61½	7.8	64.0	3.2
Select Assets		79½	+½	102½	78½	1.5	121.2	34.8
Eq Ind Serl		100	-1	123	106	5.3	—	—
Eq Ind Serll		106	-1	123	106	6.1	—	—
Shires	♣	194xd	—	249	193	12.6	182.7	-6.2
11pc Cv Ln '03/04		£100	—	£119½	£95½	11.0	—	—
Siam Select		68	—	91	68	0.8	94.3	27.9
Warrants		10	—	21	10	—	—	—
Smaller Cos		66	-1	85	66	6.1	77.2	15.2
Warrants		11	—	28	10	—	—	—
Somerset Tst		122	—	149	55	—	79.7	-53.2
Sphere Inc	N	10	—	28	9¾	41.3	11.6	17.8
Zero Div Pf		65	-½	77¾	65	—	—	—
Summit		31	+1	65	30	5.4	91.7	66.7
TR City of Lon		103¼	-½	127½	97½	8.1	101.3	-1.9
TR Euro Growth		71xd	—	90	70	2.5	89.9	21.8
Ptg Sab		34xd	—	54	34	5.3	—	—
TR Far East Inc	M	85	—	95	76	6.9	90.4	6.0
Warrants		14	—	22	12	—	—	—
TR High Inc		95	—	110	91	8.4	93.7	-1.3
Sab	0	22	—	36	21	9.1	—	—
TR Pacific	§	72	—	98	70	0.5	83.1	13.4
TR Prop		14¾	—	27	14¾	13.1	27.8	46.9
TR Smaller		100	-1	102	100	4.8	120.8	17.1

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

MEDIA

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
Hemlo Gold C$		24⅛	—	£8¾	£3¾	397.7	2.0
Inverna West IE		38	+4	53	32	19.8	—
Kells Mins IE		16	—	42	14	0.43	—
Kenmare		3¾	—	6½	2¼	3.12	—
Malinga Res		15½	+3½	48	12	1.71	—
Navan Res IE		24	—	28	16	3.22	—
North West Expl A$		3	—	6	2	1.01	—
Onyx Gold		54½	—	103	51	—	—
Plateau		3W	—	13	3	1.37	—
RTZ		514	+22	668	469	5,165	5.1
Vizcaya		1¾	—	3	1	0.94	—
Western & Pac C$		13½	—	48	7	7.41	—

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see box below.
- ♠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♦ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Auction basis
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

AUTHORISED UNIT TRUSTS

AIB Unit Trust Managers Limited (1000)F
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Grofund American	5	109.9	111.0	116.9	+1.70	0.00
AIB Grofund Equity	5	163.3	165.7	175.3	+0.40	2.26
AIB Grofund Euro ♦	5	123.4	125.2xd	131.8	-0.60	1.20
AIB Grofund Gilt	3	69.43	69.46xd	71.61	+0.02	6.28
AIB Grofund Japan	5	103.3	104.5	109.9	+1.00	0.00

AXA Equity & Law Unit Tst Mngrs (1200)F
Equity & Law Hse, Corporation St, Coventry 0203 553231

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
General Inc	5	321.5	324.0xd	344.7	+1.9	3.65
General Acc	5	350.1	352.7xd	375.1	+2.0	3.65
UK Growth Acc	6	238.2	242.6	258.1	+1.0	4.02
UK Growth Inc	6	173.6	176.8	188.1	+0.7	4.02
Higher Inc Acc	6	399.0	407.2	433.2	+0.5	5.52
Higher Inc Inc	6	251.7	256.9	273.3	+0.3	5.52
Gilt/Fxd Int Acc	5½	152.3	152.9	161.0	-0.2	8.40
Gilt/Fxd Int Inc	5½	82.03	82.41	86.75	-0.09	8.40
Nth America	6	173.9	174.5	185.7	+3.0	0.00
Far East	6	184.1	186.0	197.9	+1.8	0.56
Europe	6	175.9	177.7xd	189.1	-0.4	0.79
Brit Excell	6	48.06	48.06	51.13	+0.41	4.37
Brit Fndmtls Acc	6	62.78	62.78xd	66.79	-0.04	6.80
Brit Fndmtls Inc	6	49.28	49.28xd	52.43	-0.03	6.80
Global Opps	6	47.41	47.82	50.88	+0.43	0.56

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
Gilts & Fixed Int	6	118.1	118.1xd	125.2	+0.1	8.27
High Inc Equity	6	109.5	112.2	119.3	-0.3	7.12
Worldwide Bond	6	212.7	212.7xd	225.5	+1.1	6.31
Capital Growth						
American Growth	6	183.0	183.0	195.5	+3.0	1.13
Asian Pacific	6	131.5	134.8	143.4	+0.8	1.08
Assets & Earnings	6	164.1	164.1	175.5	-0.1	3.83
Capital Reserve Acc	0	117.7	117.7	117.7		7.63
Capital Reserve Inc	0	87.08	87.08	87.08		7.63
Commdty & Energy	6	56.22	56.22	60.12	+0.58	1.25
1992 Enterprise	6	61.51	61.51	65.78	-0.25	3.16
Euro Capital Acc	6	85.11	85.11	91.02	-0.57	1.14
Euro Capital Inc	6	80.65	80.65	86.25	-0.56	1.16
General	6	148.0	148.0xd	158.2	-0.3	3.67

Brown Shipley & Co Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 412262

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Mngd P'folio Inc	6	64.37	64.37xd	68.55	-0.09	3.03
Mngd P'folio Acc	6	120.5	120.5	128.3	-0.20	-
UK General	6	110.0	110.0	117.2	-0.10	4.33
Conv & General	6	14.36	14.36xd	15.19	-0.10	10.16
European Inc	6	17.98	17.98	19.42	-0.08	0.58
European Acc	6	18.47	18.47	19.95	-0.08	-
Financial	6	76.08	76.08xd	81.03	-0.08	5.48
Foundation	6	53.46	55.33	58.93	-0.18	4.76
German	6	32.48	32.48	34.78	-0.21	0.12
Growth Inc (15-1)	5	22.59	22.59	24.05	...	3.85
Growth Acc (15-1)	5	26.08	26.08	27.76	-0.01	-
High Income	6	52.20	52.95xd	56.66	-0.39	8.29
Income	6	92.29	94.49	101.1	-0.20	5.74
Intl Income	6	69.17	69.17	73.67	-0.06	6.54
Intl Growth ♦	6	23.31	23.31	24.83	+0.30	0.32
Monthly Income	6	48.62	50.50	53.78	-0.36	6.26
North American	6	69.55	69.55	74.07	+0.96	0.29
Orient ♦	6	73.46	73.46	79.09	+0.54	-
Recovery	6	24.06	24.06	25.74	...	4.59
Smaller Cos Acc	6	180.0	180.0	191.7	+0.40	-
Smaller Cos Inc	6	106.9	106.9	113.8	+0.20	2.02

Brycourt Unit Tst Mgmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income Growth	1	163.9	163.9	168.9	...	6.88

Buckmaster Mangmt Co Ltd (1200)H
15 St Botolph Street, London EC3A 7JJ 071-247 4542

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Fellowship Tst ♥	5¼	44.69	44.69	47.37	-0.2	3.57
(Accum Units) ♥	5¼	48.96	48.96	51.90	-0.22	3.57
Income	5¼	158.1	160.2	170.5	+0.2	5.68
(Accum Units)	5¼	351.0	355.9	378.7	+0.6	5.68
Smaller Co's	5¼	85.52	85.52	90.65	-0.02	3.32
(Accum Units)	5¼	100.62	100.62	106.66	-0.04	3.32
Inv Portfolio ♥	3	49.49	49.49xd	51.22	-0.28	3.65
(Accum Units) ♥	3	55.44	55.44	57.38	-0.31	3.65
High Income Port ♦	3	44.19	44.94	46.57	+0.09	6.40

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 071-480 7216

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Short Dated Gilt	1½	62.94	62.94	63.79	-0.15	7.34

CCL Unit Trusts Ltd (1400)F
74 Shepherds Bush Green, W12 8SD 081-740 7070

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK General Tst	5½	45.86	46.93	49.93	+0.11	2.86
Global Tst	5½	36.15	37.11	39.48	+0.10	0.35
Recovery Tst	5½	42.85	43.92	46.72	-0.22	1.92

CIS Unit Managers Ltd (1800)F
PO Box 105, Manchester M60 0AH 061 837 5060

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Environ	6	101.7	104.2	110.9	-0.2	2.47
UK Growth	6	107.8	109.6xd	116.6	-0.2	3.15
UK Income	6	92.75	94.28	100.3	-0.4	6.21

MGM Unit Managers Ltd (1000)F
MGM House, Heene Rd, Worthing
Dealing: 0277 261010 Enq: 0903 204631

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income	5	203.6	207.3	220.5	+0.6	6.83
(Accum Units)	5	337.9	344.0	365.9	+0.9	6.83
UK Growth	5	257.0	259.8	276.3	-0.5	3.72
(Accum Units)	5	314.8	318.1	338.4	-0.7	3.72
Int Equity Gth ♦	5	43.38	43.56	46.33	+0.36	1.20
Intl Bond	5	53.90	53.90	56.62	+0.02	6.17
Special Sits Gwth	5	12.49	13.00xd	13.82	-0.09	4.93
North American Gwth	5	63.98	64.19xd	68.28	+1.33	0.98
European Growth ♦	6	47.07	47.30	50.31	-0.01	1.57

NW Investment Managers Ltd (0659)F
46 Court St, Haddington, E. Lothian 062 082 5867

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
NW Joint Investors	0	1018.4	1018.4	1041.3		1.50

Maiden Unit Trust Managers Ltd (1400)F
c/o Baillie Gifford 1 Rutland Ct EH3 8EY 031 222 4242

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Maiden General	0	95.89	95.89	99.18	...	5.88

Manulife Management Ltd (1200)F
St George's Way, Stevenage Dealings 071-256 5858

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Units	5¼	120.7	121.6xd	130.1	+0.6	4.13
Gilt & Fxd Int	5	156.5	156.5	165.6	-0.2	7.54
Intl Growth	5¼	126.6	126.6	135.9	+1.5	0.58
North American ♥	5¼	96.61	96.61xd	103.8	+1.7	0.57
Far East	5¼	116.9	116.9	126.0	...	1.13
UK Smaller Cos	5¼	91.96	95.00	101.6	-0.5	3.00
European	5¼	49.40	49.40	52.73	-0.47	0.86
Japanese Growth	5¼	26.25	26.25	27.99	+0.35	0.00
Managed P'folio	5¼	45.18	45.18	48.49	+0.36	2.33
High Income	5¼	126.0	126.9	135.7	+1.0	6.41

NFU Mutual Unit Mngrs Ltd (1400)F
Admin. 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Avon Equity	6	82.38	83.90	89.25	+0.02	4.03

NM Unit Trust Mngrs (1200)F
The Bilton Centre, North Harbour, Portsmouth
Enquiries: 0705 372222 Dealing: 0705 387730

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American ♥	5¼	30.23	30.23	32.24	+0.53	0.96
(Accum Units) ♥	5¼	32.83	32.83	35.01	+0.57	0.96
Australian ♥	5¼	175.20	175.20	187.90	+2.80	0.00
(Accum Units) ♥	5¼	198.10	198.10	212.50	+3.10	0.00
Conscience	5¼	47.85	48.65	51.92	+0.85	1.77
(Accum Units)	5¼	51.02	51.88	55.36	+0.88	1.77
European	5¼	133.60	133.60	142.50	-0.20	1.11
(Accum Units)	5¼	142.50	142.50	152.00	-0.30	1.11
Extra Income	5¼	59.48	59.48xd	63.47	+0.11	7.46
(Accum Units)	5¼	87.52	87.52	93.40	+0.18	7.46
Far East Gth Acc	5¼	95.09	95.09	101.60	+0.10	0.00
Gilt & F.I.	5¼	52.56	52.56xd	55.65	+0.12	8.28
(Accum Units)	5¼	120.60	120.60	127.60	+0.28	8.28
Gold ♥	5¼	23.56	23.56	25.33	+0.17	0.00
(Accum Units) ♥	5¼	25.37	25.37	27.27	+0.18	0.00
Income	5¼	39.62	39.62	42.26	+0.17	6.74
(Accum Units)	5¼	116.00	116.00	123.70	+0.50	6.74
Intnl	5¼	21.01	21.01	22.54	+0.14	1.24
(Accum Units)	5¼	30.04	30.04	32.23	+0.21	1.24
Jap Smaller Cos	5¼	189.70	189.70	202.30	-0.40	0.00
Sing & Malaysian	5¼	89.29	89.29	95.75	-0.27	0.00
(Accum Units)	5¼	92.86	92.86	99.58	-0.28	0.00
Smaller Co's	5¼	17.78	17.78	19.11	-0.02	3.40
(Accum Units)	5¼	20.35	20.35	21.88	-0.02	3.40
Special Sits	5¼	24.00	24.00	25.80	+0.12	2.36
(Accum Units)	5¼	27.07	27.07	29.10	+0.13	2.36
Tokyo	5¼	48.88	48.88	52.13	+0.44	0.00
(Accum Units)	5¼	49.37	49.37	52.66	+0.45	0.00
UK Equity	5¼	125.90	125.90	134.20	+0.70	4.32
(Accum Units)	5¼	231.10	231.10	246.50	+1.30	4.32
US Smaller Cos ♥	5¼	63.61	63.61	68.03	+1.45	0.00

N&P Unit Trust Management Ltd (1200)F
35 Fountain St, Manchester M2 2AF 061 237 5322

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
N&P UK Growth	5½	52.34	52.94xd	56.32	+0.37	4.25
N&P UK Income	5½	72.34	73.53	78.65	+0.11	5.89
N&P Gilt & Fixed Int	5½	64.63	65.46xd	69.28	-0.05	8.01
N&P Higher Income	5½	122.10	122.10	129.60	-0.10	7.66
N&P Smaller Co's	5½	51.30	53.62	57.35	-0.14	2.97
N&P International	5½	64.47	64.65	69.32	+0.18	3.22

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

Societe Generale Tyndall Remnant (1600)F

Mermaid Hse, 2 Puddle Dock, EC4V 3AT 071-248 1250

4 Hourly Pricing – 12 Noon Historic

	Init Chge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Gwth	5¼	49.19	49.19	52.60	+0.12	0
Eur Sp Sits Acc	5¼	35.21	35.21	37.65	-0.03	0
Eur Sp Sits Inc	5¼	33.74	33.74	36.08	-0.02	0
Far East Opps Inc	5¼	18.94	18.94	20.44	-0.03	0
Far East Opps Acc	5¼	19.41	19.41	20.95	-0.03	0
General Growth	5¼	75.02	75.02xd	80.81	+0.11	3.84
General Growth Acc	5¼	76.27	76.27	82.16	+0.11	3.84
Global Tech	5¼	75.08	75.08	81.19	+0.47	0
Income Growth	5¼	72.75	72.75xd	78.41	+0.10	5.72
Income Growth Acc	5¼	72.75	72.75	78.41	+0.10	5.72
Income Monthly	5¼	42.62	42.62	45.38	+0.10	7.03
Japan Growth	5¼	50.06	50.06	53.19	+0.07	0
Overseas Growth	5¼	52.55	52.55	56.02	+0.36	0
Smaller Cos	5¼	52.35	52.35	56.29	-0.07	3.48
Special Opps	5¼	67.48	67.48xd	72.55	-0.09	5.73
Wrldw Sp Sit Acc	5¼	30.19	30.19xd	32.74	+0.02	0
Wrldw Sp Sit Inc	5¼	30.12	30.12xd	32.66	+0.02	0
SGTR Pension Portfolio						
American Growth	6	29.46	29.93	31.73	+0.07	–
Eur Sp Sits	6	28.32	28.75	30.48	-0.02	–
General Growth	6	27.43	28.07	29.76	+0.04	–
Global Tech	6	29.41	30.21	32.03	+0.19	–
Income Growth	6	24.42	24.98	26.48	+0.03	–
Japan Growth	6	15.47	15.82	16.77	+0.02	–
Managed Equity	6					–
Overseas Growth	6	22.77	23.06	24.44	+0.11	–
Smaller Cos	6	13.39	13.62	14.43	+0.11	–
Special Opps	6	15.51	15.84	16.79	-0.02	–
Stlg Liquidity	6	35.81	34.41	35.84		–
Wrldw Sp Sits	6	24.54	25.28	26.80	+0.01	–

Sovereign Unit Tst Mngrs Ltd (1000)F

12 Christchurch Rd, Bournemouth 0202 298422

	Init Chge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Cash	1	50.84	50.84	51.36	+0.01	10.00
Cntrl'd Primary	5¼	47.49	47.75	50.93	-0.11	9.2
Ethical	5¼	39.85	40.84xd	43.44	-0.17	5.7
European Growth	5¼	45.06	45.27	48.28	-0.19	3.6
Income	5¼	40.07	40.52	43.22	-0.17	8.7
Intl Growth	5¼	58.97	59.36	63.31	+0.10	3
Managed	5¼	51.12	51.80	55.25	-0.02	4.6
UK Growth	5¼	41.37	42.00	44.80	-0.39	6.7

Standard Chartered Equitor (1200)F

69 Old Broad Street, EC2M 1QS 071-280 6521

	Init Chge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Mngd Exempt Acc	3	175.7	177.5	184.8	+0.5	3.42
Do Income	3	163.2	164.8	171.6	+0.4	3.42

Standard Life Tst. Mngmt Ltd (0730)H

3 George St, Edinburgh EH2 2XZ 0800 393777

	Init Chge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Managed Acc	5¼	33.04	33.04	35.11		2.23
UK Equity Gth Acc	5¼	44.40	45.22	48.05	-0.2	1.93
UK Eq High Inc Inc	5¼	25.53	26.11	27.75	-0.3	5.40
UK Eq High Inc Acc	5¼	29.25	29.92	31.80	-0.4	5.60
UK Equity Gen Acc	5¼	42.84	43.60	46.33	-0.2	3.53
UK Equity Gen Inc	5¼	33.16	33.75	35.86	-0.2	3.53
UK Larger Cos Acc F	7½	283.6	287.5	312.0	-2.2	4.95
UK Larger Cos Inc F	7½	224.8	227.9	247.3	-1.8	4.95
Gilt & Fxd Int Inc	5¼	28.59	28.67	30.32	-0.1	7.29
O'seas Lrg Cos Acc F	7½	185.8	188.9	205.0	+2.9	1.92

Edinburgh Fund Mngrs PLC

Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Sep 9	129.5	134.9	+2.1	3.89
Japan Sep 10	74.96	77.02	+2.82	0.65
Sm Jap Cos Sep 11	341.9	351.3	+4.1	0.14
Latin American Sep 8	79.74	83.72xd	-1.34	0.60

Fidelity Investment Services Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Exempt American Portfolio	96.47	97.74	+1.48	0.00
Mngd Pens P'folio	125.7	129.7xd	+0.30	2.31

Fledgeling Charity Portfolio

25 Copthall Avenue EC2R 7DR 071-638 5858

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity	£0.9289	0.9475	-0.0039	5.92
Bond	£0.9639	0.9867	-0.0002	9.44

Robert Fleming Asset Mngmt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Am Exempt	£434.61	440.99	+7.79	1.45
Gen Exempt	£114.98	117.45	-0.12	4.49
Jap Exempt	£342.01	348.60	+7.87	1.29
Pacific Exempt	£102.08	103.40	+1.65	2.04
Contl Euro Exempt	£94.26	96.05	-0.49	2.70
Indexed Exempt Sep 10	£115.51	118.38	+0.54	5.09
Amer Indxd Expt Sep 10	£97.13	98.10	+0.99	2.90
Japan Indxd Expt Sep 10	£48.22	49.19	+3.02	1.05
Euro Indxd Expt Sep 10	£87.89	89.66	+1.17	3.46
O'seas Indxd Expt Sep 10	£87.35	89.24	+2.15	2.38

Foreign & Colonial Unit Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Balanced Acc Sep 8	143.6	149.5	+4.4	4.13
Balanced Inc Sep 8	143.6	149.5	+4.5	4.13

Funds In Court*

	Bid Price	Offer Price	+ or -	Yield Gross
Capital Aug 27	446.08	449.45	–	3.90
Gross Aug 27	163.91	165.29	–	12.71
High Yield Aug 27	259.44	262.51xd	–	9.43

* Restricted to monies under Court control

Henderson Unit Trust Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Pensions Mngd	49.06	50.07	+0.25	3.92

INVESCO MIM Management Ltd

Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Intl Mngd P'Folio	1092.0	1115.0	–	–
Mngd Pens (Acc)	63.0	67.1	–	–

Lazard Brothers & Co. Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Property Sep 3	£2125.0	2250.0	–	7.00
Inc Gth Prp Apr 22	£1375.0	1500.0	–	8.90

Lazard Investors Ltd ‡‡

Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Small Co's Sep 9	£3543.8	3714.5	–	3.97
European Sep 9	£559.8	565.7	–	2.02
American Sep 9	£308.0	310.5	–	1.93
Japan Sep 9	£377.6	383.4	–	1.70
Pacific Sep 9	£126.9	129.8	–	1.34
W Midlands Jul 31	£129.30	130.90	–	2.69

Local Authorities Mutual Invest. Tst.*

2 Fore Street, London EC2Y 5AQ 071-588 1815

	Bid Price	Offer Price	+ or -	Yield Gross
Property Aug 31	189.49	193.30	–	8.35
Equity Aug 31	792.30	803.40	–	4.30

* Available only to Local Authorities

M & G Securities Ltd

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

Pearl Assurance (Unit Funds) Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Life Assurance Ltd

Providence Capitol Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Corporate Pension Funds

Prudential Individual Life Funds

Prudential Individual Pension Funds

Reliance Mutual

J Rothschild Assurance PLC

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Amicable – Contd.

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Group

Sun Alliance Group – Contd.

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Swiss Pioneer Life Plc

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Windsor Life Assur Co Ltd – Contd.

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

AEtna Intl Assurance (Bermuda) Ltd

Albany International Assurance Ltd

Eagle Star Intl Financial Services

Equitable Life (International)

Eurolife Assurance Group

Hansard International Ltd

Isle of Man Assurance Ltd

PanEuroLife

Providence Capitol International Ltd

Royal Life Intl. Ltd

Royal Life Intl. Ltd – Contd.

Royal Skandia Life Assurance Ltd

Sun Alliance International Life

Target International Group

MANAGEMENT SERVICES

Bain Clarkson Asset Management

C F S Financial Mngmt

Capital Trust Financial Management

Chase de Vere PLC

ECU Templeman Plc

Fairmount Financial Services Ltd

Foster & Braithwaite Ltd

Independent Financial Group PLC

Johnson Fry Asset Managers Plc

Knight Williams & Company Ltd

Macarthey & Davie Invest Mngt Plc

Northam Blagg & Partners

PBR Fund Management Ltd

Pendleton May Financial Services Ltd

Sharp (Albert E) & Co.

Tattersall Investment Mngt. Ltd

Charles Stanley & Co Ltd

J. D. Ward Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Fidelity Money Funds – Contd.

Lloyd George Management

Newport Investment Management

Orion Fund Limited

CANADA (SIB RECOGNISED)

GBC Asset Management

GUERNSEY (SIB RECOGNISED)

AIB Grofund Inv Managers (Guernsey) Ltd

Adams & Neville Fd Mgmt (Guernsey) Ltd

Baring Intl Fd Managers (Guernsey) Ltd

Equitable International Fund Managers Ltd

Guinness Flight Fd Mngrs (Guernsey) Ltd

Hambros Fd Mgrs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Managers (Channel Islands) Ltd

Lion World Fixed Income Fund

Lloyds Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Prudential Fund Managers (Guernsey) Ltd

Rothschild Asset Management (CI) Ltd

Royal Bank of Canada Offshore Fd Mgrs Ltd

Sarasin Funds Mngmt (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

GUERNSEY (REGULATED)

Adams & Neville Fund Mngt (Guernsey) Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Bachmann Global Investment Fund Ltd

Credit Suisse Asset Mngt (Guernsey) Ltd

Danbrook Management (Guernsey) Ltd

Hambros Fund Managers (CI) Ltd

Hewlett Throgmorton

Lazard Fund Managers (CI) Ltd

Morrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Small International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

U.S. Treasury Securities Fund Ltd

Rudolf Wolff Capital Management Ltd

Yamaichi Capital Mngt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

GAM Fund Management Ltd

Hybrid International Mngt Ltd

Morgan Grenfell Investment Funds Ltd

Swiss Life Investment Fund

IRELAND (REGULATED)

Bank of Ireland Unit Managers Ltd

Baring International Fd Mngrs (Ireland) Ltd

Barings Fund Managers (Ireland) Ltd

Federated International Funds Plc

GT Asset Management (Ireland) Ltd

Gartmore Portfolio Management Ltd

Irish Life International Fd Mgrs Ltd

Morgan Grenfell Fund Mngrs (Ireland) Ltd

Sanwa International (Ireland) Ltd

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs

Allied Dunbar Intl Fund Mgrs (CI) Ltd

Asset Global Funds Ltd

CMI Fund Managers (IoM) Ltd

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Gartmore Fund Managers (IoM)						
PO Box 32, Douglas, IoM 0624 627610						
Intl Grth	5¼	455.1	455.1	488.5	+9	0.9
Leopold Joseph Fund Mngrs (IoM) Ltd						
PO Box 52 Athol St Douglas IoM 0624 661020						
LJ International	5¼	84.13	84.13	90.43	(z)	-
Mercury Fund Managers IoM Ltd						
11 Hill Street, Douglas IoM 0624 662256						
Merc IoM Fund	5	95.96	95.96	102.4	(z)	6.5
Merc Intl Bond	5	50.77	50.77	53.39	(z)	8.2
Sun Life Management (IoM) Ltd						
PO Box 178, Douglas, IoM 0624 622444						
Secure High Income	6	1.0280	1.0280	1.1030	+0.0005	14
Unibank Scandinavian Fund Ltd						
19-21, Circular Rd, Douglas, IoM 0624 629420						
Scandiquaria Fd	5	-	116.96	124.61	...	1.0

ISLE OF MAN (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
ATC Fund Management (SG) Ltd				
SG International	$10.81		.....	-
AXA Equity & Law Intl Fund Mgs				
European Equity	141.80	149.24	-1.41	-
Far Eastern Equity	$2.2792	2.3988	-0.0024	-
North Amer Equity	$1.6925	1.7813	-0.0111	-
UK Equity	146.90	154.61	-2.85	-
Global Equity	102.04	107.39	-0.41	-
UK Gilt & Fxd Int	99.49	104.71	-0.50	-
Dollar Deposit	$0.9808		...	-
Sterling Deposit	£101.05		+0.02	-
Managed Currency	90.23	94.96	+0.99	-
Appleton Financial Advisors Ltd				
Appleton Capital Trust	94.0	101.0	...	-
CME Fund Mngrs (IOM)				

	Bid Price	Offer Price	+ or -	Yield Gr's
Equitilink International Mngt Ltd				
First Aust Prime Inc Inv Co Ltd NAV Aug 27 C$12.26xd				
First Aust Prime Inc Inv Co Ltd NAV Aug 27 US$10.27xd				
NAV Diluted to reflect exercise of all Wrnts C$12.10xd US$10.13xd				
Fidelity Investment (CI) Ltd				
Sterling American	£2.491	2.622	+0.014	-
Fleming Group				
Robert Fleming Management (Jersey) Ltd				
Continental Inv Corp Inc	$9.46		...	-
Deutschland Inv Co NAV	DM16.53		...	-
Foreign & Colonial Mngt (Jersey) Ltd				
Hypo Foreign & Colonial Reserve Asset Fd Ltd				
US$ Cash	$10.83		...	-
Sterling Cash	£12.25		+0.01	-
US$ Bonds	$15.64		+0.01	-
Multicurrency Bonds	$21.38		-0.14	-
Sterling Bonds	£13.34		-0.05	-
D Mark Bonds	DM10.75		...	-
Ecu Bonds	Ecu11.45		-0.08	-
UK Equities	£9.53		-0.04	-
US Equities	$16.59		+0.04	-
Japanese Equities	Y649		+0.39	-
Cont'l Euro Equities	DM15.19		-0.17	-
UK Negative Equities	£14.07		+0.06	-
US Negative Eq	$10.02		-0.02	-
Japanese Negative Eq	Y970		-39	-
Cont Eur Negative Eqs	DM-			-
UK Geared Equities	£9.42		-0.05	-
US Geared Equities	$-			-
Japanese Geared Eqs	Y1150		+0.51	-
Cont'l Euro Geared Eqs	DM9.86		-0.22	-
Gold	$10.54		+0.04	-
Protected Capital Plus	-		...	-
John Govett Management (Jersey) Ltd				
Malaysia Emer Co NAV Sep 10	$10.07		...	-
Surr Sector Fd NAV Sep 4	$7.96		...	-
Paragon Fd NAV Aug 28	$10.89		...	-
Paragon Redemption	$10.25		...	-
Hungarian Inv Co Aug 28	106.35		...	-

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Lira closes below ERM floor

BOTH the Italian lira and sterling remained under intense pressure in the European exchange rate mechanism yesterday, despite attempts in Rome and London to support the currencies, *writes James Blitz*.

The Italian authorities are making a huge attempt to support the lira, but the currency spent most of the European trading day on or near its ERM floor of L765.40 against the D-Mark.

Last week, Italy raised interest rates by 1.75 percentage points and, on Wednesday, the government announced that it would be seeking emergency powers to alter taxation and investment in the economy where necessary.

Neither of these moves is having much effect on the markets. "Dealers increasingly believe that the lira will be devalued, irrespective of the outcome of the French referendum on the Maastricht treaty," said Mr Jeremy Hawkins, senior American adviser at Bank of America in London.

Yesterday, Mr Carlo Ciampi, the Bank of Italy's Governor, criticised the Bundesbank for having "excessively high" interest rates, and said that they should be cut. Some dealers saw this as a particularly ominous development because the criticism came as the German central bank was helping to support the Italian currency by buying lira through open market intervention.

The Italians may have been frustrated that the German intervention, which is required under EMS rules, was not large enough. Several analysts said the intervention had been too small, and the lira closed in London below its ERM floor at L765.7.

Sterling was under less pressure, than it had been on Wednesday evening, but hovered around the DM2.79 level for most of the day, close to its ERM floor of DM2.7780. The pound was partly supported by a statement from the British government that sterling would remain fixed to its central ERM rate of DM2.95.

Compounding this were unofficial suggestions that the Bundesbank may lower rates before the end of the year. Mr Eberhard Martini, the president of Germany's main banking trade group, said German interest rates could come down "at the beginning of next year at the latest, possibly in December." However, the pound closed in London unchanged at DM2.7875.

The dollar rallied sharply to a high of DM1.4198 in the European morning, partly on comments from Mr Wayne Angell, a US Federal Reserve Governor, that the US currency was seriously undervalued. However, a substantial sell order by a large far Eastern investor wiped out these gains and the dollar closed virtually unchanged in London at DM1.4105.

£ IN NEW YORK

Sep 10	Latest	Previous Close
£ Spot	1.9770-1.9780	1.9720-1.9730
1 month	1.15-1.14pm	1.22-1.21pm
3 months	3.55-3.49pm	3.56-3.53pm
12 months	13.2-13.1pm	13.2-13.1pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Sep 10	Previous
8.30 am	91.9	92.2
9.00 am	92.0	92.3
10.00 am	91.9	92.3
11.00 am	92.0	92.2
Noon	92.0	92.2
1.00 pm	91.9	92.2
2.00 pm	92.0	92.1
3.00 pm	92.0	92.1
4.00 pm	92.1	92.0

CURRENCY MOVEMENTS

Sep 10	Bank of England Index	Morgan** Guaranty Changes %
Sterling	92.1	-20.2
U.S. Dollar	58.9	-19.9
Canadian Dollar	95.5	-5.0
Austrian Schilling	112.3	+13.5
Belgian Franc	114.2	-0.3
Danish Krone	112.7	+5.7
D-Mark	123.1	+28.3
Swiss Franc	112.3	+20.1
Dutch Guilder	117.6	+18.4
French Franc	106.6	-10.6
Lira	100.0	-19.4
Yen	139.1	+76.8
Peseta	107.9	-18.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Sep.9

CURRENCY RATES

Sep 10	Bank ‡ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.746057	0.726946
U S Dollar	3.00	1.48167	1.43187
Canadian $	4.93	1.80008	1.74759
Austrian Sch	7.50	14.6463	14.2642
Belgian Franc	8.50	42.9684	41.8105
Danish Krone	9.50	8.04102	7.84233
D-Mark	8.75	2.08056	2.02652
Dutch Guilder	8.50	2.34889	2.28454
French Franc	10¼	7.09350	6.90875
Italian Lira	15.00	1591.72	1551.07
Japanese Yen	3.25	181.801	176.263
Norway Krone	-	8.24475	8.02919
Spanish Peseta	-	135.247	131.713
Swedish Krona	75.00	7.61504	7.41420
Swiss Franc	7.00	1.84172	1.79842
Greek Drach	19	N/A	252.266
Irish Punt	-	N/A	0.764314

‡ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland
† European Commission Calculations.
* All SDR rates are for Sep.9

OTHER CURRENCIES

Sep 10	£	$
Argentina	1.9545 - 1.9575	0.9900 - 0.9910
Australia	2.7300 - 2.7320	1.3850 - 1.3860
Brazil	10676.0 - 10687.5	5407.00 - 5407.20
Finland	8.9185 - 8.9245	4.5065 - 4.5085
Greece	344.100 - 349.600	175.610 - 178.410
Hong Kong	15.2995 - 15.3130	7.7290 - 7.7300
Iran	2840.00*	1430.00*
Korea(Sth)	1558.40 - 1583.50	781.40 - 787.60
Kuwait	0.57315 - 0.57425	0.29020 - 0.29070
Luxembourg	57.40 - 57.50	29.00 - 29.10
Malaysia	4.9275 - 4.9400	2.4940 - 2.4950
Mexico	5925.00 - 5937.90	3059.00 - 3060.00
N.Zealand	3.6410 - 3.6450	1.8390 - 1.8410
Saudi Ar.	7.3380 - 7.4150	3.7495 - 3.7505
Singapore	3.1480 - 3.1555	1.5935 - 1.5945
S.Af (Cm)	5.4740 - 5.4870	2.7670 - 2.7690
S.Af (Fn)	7.6895 - 7.7350	3.8835 - 3.9065
Taiwan	49.80 - 50.00	25.15 - 25.25
U.A.E.	7.1850 - 7.2625	3.6715 - 3.6735

*Floating rate. Iran Official rate: £122.25 $61.80

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Sep 10	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	131.713	-1.44	5.83	23
D-Mark	2.05586	2.02652	-1.43	5.82	57
Belgian Franc	42.4032	41.8105	-1.40	5.79	42
Dutch Guilder	2.31643	2.28454	-1.38	5.77	42
Portuguese Escudo	178.735	177.594	-0.64	4.98	9
Irish Punt	0.767417	0.764314	-0.40	4.73	-6
Danish Krone	7.84195	7.84233	0.00	4.31	-24
French Franc	6.89509	6.90875	0.20	4.10	-40
Italian Lira	1538.24	1551.07	0.83	3.45	-67
Sterling	0.696904	0.726946	4.31	0.00	-84

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Sep 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.9580 - 1.9820	1.9765 - 1.9775	1.14-1.12cpm	6.86	3.52-3.49pm	7.09
Canada	2.3850 - 2.4150	2.4075 - 2.4085	1.06-1.00cpm	5.13	3.40-3.33pm	5.59
Netherlands	3.1325 - 3.1525	3.1400 - 3.1500	⅛-parcpm	0.24	⅝-⅜pm	0.64
Belgium	57.30 - 57.70	57.40 - 57.50	3-2cpm	0.52	15-10pm	0.87
Denmark	10.7000 - 10.8025	10.7900 - 10.8000	¾-1¼oredis	-1.18	2-3½dis	-1.00
Ireland	1.0425 - 1.0565	1.0500 - 1.0510	0.05-0.02cpm	0.40	0.11-0.05pm	0.30
Germany	2.7825 - 2.7950	2.7850 - 2.7900	⅛-parpfpm	0.27	⅝-⅜pm	0.81
Portugal	243.00 - 245.25	243.00 - 244.00	180-210cdis	-9.61	340-245dis	-4.80
Spain	180.15 - 181.50	180.95 - 181.25	50-56cdis	-3.51	145-155dis	-3.31
Italy	2129.00 - 2137.50	2133.75 - 2134.75	16-20liredis	-10.12	33-39dis	-6.75
Norway	10.9350 - 11.0675	11.0575 - 11.0675	6½-6¾oredis	-7.19	8¾-9¼dis	-3.19
France	9.4725 - 9.5275	9.5050 - 9.5150	par-¼cdis	-0.16	par-⅜dis	-0.08
Sweden	10.1000 - 10.2175	10.2050 - 10.2150	11-16oredis	-15.87	18-24dis	-8.23
Japan	241.50 - 243.75	242.75 - 243.75	1¼-1⅛ypm	5.86	4-3¼pm	6.37
Austria	19.50 - 19.68	19.57 - 19.60	1½-¼gropm	0.54	5-2¼pm	0.79
Switzerland	2.4650 - 2.4850	2.4650 - 2.4750	½-⅜cpm	2.13	1¾-1⅝pm	2.73
Ecu	1.3750 - 1.3825	1.3760 - 1.3770	0.15-0.20cdis	-1.53	0.39-0.45dis	-1.22

Commercial rates taken towards the end of London trading. Six-month forward dollar 6.99-6.94pm 12 Month 13.20-13.10pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Sep 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.9580 - 1.9820	1.9765 - 1.9775	1.14-1.12cpm	6.86	3.52-3.49pm	7.09
Ireland†	1.8605 - 1.8840	1.8825 - 1.8835	1.16-1.13cpm	7.30	3.52-3.46pm	7.40
Canada	1.2130 - 1.2230	1.2170 - 1.2180	0.16-0.19cdis	-1.72	0.46-0.50dis	-1.58
Netherlands	1.5830 - 1.6075	1.5900 - 1.5910	0.87-0.91cdis	-6.71	2.64-2.69dis	-6.70
Belgium	29.00 - 29.45	29.00 - 29.10	16.00-18.00cdis	-7.02	47.00-50.00dis	-6.68
Denmark	5.4550 - 5.5025	5.4575 - 5.4625	3.65-3.85oredis	-8.24	11.15-11.65dis	-8.35
Germany	1.4035 - 1.4260	1.4100 - 1.4110	0.77-0.78pfdis	-6.59	2.33-2.34dis	-6.62
Portugal	123.40 - 124.70	123.60 - 123.70	175-195cdis	-17.95	425-455dis	-14.23
Spain	91.40 - 92.60	91.45 - 91.55	80-83cdis	-10.69	245-250dis	-10.82
Italy	1076.00 - 1091.25	1079.25 - 1079.75	19.00-22.00liredis	-22.79	44.00-50.00dis	-17.42
Norway	5.5825 - 5.6475	5.5925 - 5.5975	7.00-9.00oredis	-17.16	15.50-18.50dis	-12.15
France	4.7825 - 4.8575	4.8075 - 4.8125	2.88-2.93cdis	-7.25	8.87-8.97dis	-7.42
Sweden	5.1350 - 5.2175	5.1625 - 5.1675	4.15-4.20oredis	-9.70	11.40-11.55dis	-8.89
Japan	122.80 - 123.55	122.95 - 123.05	0.11-0.12ydis	-1.12	0.23-0.24dis	-0.76
Austria	9.9025 - 10.0225	9.9050 - 9.9100	5.25-5.60grodis	-6.57	16.20-17.20dis	-6.74
Switzerland	1.2420 - 1.2680	1.2485 - 1.2495	0.48-0.51cdis	-4.76	1.43-1.47dis	-4.64
Ecu	1.4190 - 1.4380	1.4315 - 1.4325	1.01-0.99cpm	8.38	2.99-2.96pm	8.31

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Sep 10	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	9½ - 9⅜	9¾ - 9⅝	10⅝ - 10⁷⁄₁₆	10½ - 10⅜	10¹⁵⁄₁₆ - 10⅞	10¹³⁄₁₆ - 10⅝
US Dollar	3⅛ - 3	3¼ - 3	3⁵⁄₁₆ - 3³⁄₁₆	3⁵⁄₁₆ - 3³⁄₁₆	3⅜ - 3¼	3⅝ - 3½
Can. Dollar	4¾ - 4¼	4⅜ - 4¼	4⅝ - 4½	4¹¹⁄₁₆ - 4⁹⁄₁₆	4¹³⁄₁₆ - 4⅝	4¹³⁄₁₆ - 4⅝
Dutch Guilder	9¹³⁄₁₆ - 9¹¹⁄₁₆	9¹³⁄₁₆ - 9¹¹⁄₁₆	9⅞ - 9¾	9¾ - 9⅝	9¹¹⁄₁₆ - 9⁹⁄₁₆	9¹¹⁄₁₆ - 9½
Swiss Franc	7½ - 7¼	7½ - 7¼	7⅝ - 7½	7¹³⁄₁₆ - 7¹¹⁄₁₆	7¹³⁄₁₆ - 7¹¹⁄₁₆	7¹¹⁄₁₆ - 7⁹⁄₁₆
D-Mark	9¾ - 9⅝	9¾ - 9⅝	9¾ - 9⅝	9¾ - 9⅝	9¾ - 9⅝	9⅝ - 9½
French Franc	10⅛ - 9⅞	10⅛ - 10	10⅛ - 10	10⅝ - 10½	10½ - 10⅜	10½ - 10⅜
Italian Lira	18 - 16	21 - 19	22¾ - 21¼	19 - 18	17½ - 16½	17 - 16½
Belgian Franc	9¹³⁄₁₆ - 9⅝	9¹³⁄₁₆ - 9⅝	9⅞ - 9¾	9⅞ - 9¾	9¹³⁄₁₆ - 9⅝	9¾ - 9⅝
Yen	4⁵⁄₁₆ - 4³⁄₁₆	4⅜ - 4¼	4⁵⁄₁₆ - 4³⁄₁₆	4 - 3⅞	3¹⁵⁄₁₆ - 3¹³⁄₁₆	3¾ - 3⅝
Danish Krone	10 - 9¾	10¾ - 10½	11½ - 11¼	11⅝ - 11⅜	11½ - 11¼	11⅜ - 11⅛
Asian $Sing	⅝ - ½	¾ - ⅝	1½ - 1⅜	1¹³⁄₁₆ - 1¹¹⁄₁₆	2⅜ - 2¼	2¹³⁄₁₆ - 2¹¹⁄₁₆
Spanish Peseta	13⅜ - 12⅞	13¼ - 12⅞	13⅝ - 13⅜	13⅝ - 13⅜	13¾ - 13½	14¼ - 13⅞

Long term Eurodollars: two years 4¹⁄₁₆-3¹⁵⁄₁₆ per cent; three years 4¹³⁄₁₆-4¹¹⁄₁₆ per cent; four years 5⅜-5¼ per cent; five years 5⅝-5½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sep.10	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr	Pta.	Ecu
£	1	1.977	2.787	243.2	9.510	2.470	3.145	2134	2.408	57.45	181.1	1.376
$	0.506	1	1.410	123.0	4.810	1.249	1.591	1079	1.218	29.06	91.60	0.696
DM	0.359	0.709	1	87.26	3.412	0.886	1.128	765.7	0.864	20.61	64.98	0.494
YEN	4.112	8.129	11.46	1000.	39.10	10.16	12.93	8775	[illegible]	236.2	744.7	5.658
F Fr.	1.052	2.079	2.931	255.7	10.	2.597	3.307	2244	2.532	60.41	190.4	1.447
S Fr.	0.405	0.800	1.128	98.46	3.850	1	1.273	864.0	0.975	23.26	73.32	0.557
N Fl.	0.318	0.629	0.886	77.33	3.024	0.785	1	678.5	0.766	18.27	57.58	0.438
Lira	0.469	0.926	1.306	114.0	4.456	1.157	1.474	1000.	1.128	26.92	84.86	0.645
C $	0.415	0.821	1.157	101.0	3.949	1.026	1.306	886.2	1	23.86	75.21	0.571
B Fr.	1.741	3.441	4.851	423.3	16.55	4.299	5.474	3715	4.191	100.	315.2	2.395
Pta	0.552	1.092	1.539	134.3	5.251	1.364	1.737	1178	1.330	31.72	100.	0.760
Ecu	0.727	1.437	2.025	176.7	6.911	1.795	2.286	1551	1.750	41.75	131.6	1.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100: Peseta per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS; LIFFE US TREASURY BOND FUTURES OPTIONS; LIFFE BUND FUTURES OPTIONS; LIFFE EUROMARK OPTIONS; LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS; LIFFE SHORT STERLING OPTIONS [illegible]

LONDON (LIFFE)

9% NOTIONAL BRITISH GILT; US TREASURY BONDS 8%; 6% NOTIONAL GERMAN GOVT. BOND; 6% NOTIONAL LONG TERM JAPANESE GOVT. BOND; 9% NOTIONAL ECU BOND; 12% NOTIONAL ITALIAN GOVT. BOND (BTP); THREE MONTH STERLING; THREE MONTH EURODOLLAR; THREE MONTH EUROMARK; THREE MONTH ECU; THREE MONTH EURO SWISS FRANC; THREE MONTH EUROLIRA INT. RATE [illegible]

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Sep	2353.0	2358.0	2334.0	2336.0
Dec	2396.5	2400.0	2378.0	2379.5
Mar	2435.5			2418.5

Estimated volume 10980 (16536)
Previous day's open int. 48744 (48918)

* Contracts traded on APT. Closing prices shown

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.9770	1.9657	1.9420	1.9074	1.8455

CHICAGO

U.S. TREASURY BONDS (CBT) 8%; U.S. TREASURY BILLS (IMM); JAPANESE YEN (IMM); DEUTSCHE MARK (IMM); THREE-MONTH EURODOLLAR (IMM); BRITISH POUND (IMM); SWISS FRANC (IMM); STANDARD & POORS 500 INDEX [illegible]

PHILADELPHIA SE £/$ OPTIONS [illegible]

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES; THREE-MONTH PIBOR FUTURES (MATIF); CAC-40 FUTURES (MATIF) Stock Index; ECU BOND (MATIF) [illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls December	Calls March	Calls June	Puts December	Puts March	Puts June
104	-	-	-	0.54	0.66	-
105	2.66	-	-	0.72	0.88	-
106	1.95	2.52	-	1.00	1.16	-
107	1.35	1.96	-	1.38	1.64	1.60
108	0.90	-	-	1.90	-	-
Open Int.	293,509	68,208	-	174,870	44,871	-

Estimated volume 87,939 † Total Open Interest 581,458
† All Yield & Open Interest figures are for the previous day

BASE LENDING RATES

	%		%		%
Adam & Company	10	Credit Lyonnais	10	McDonnell Douglas Bnk	10
Allied Trust Bank	10	Cyprus Popular Bk	10	Midland Bank	10
AIB Bank	10	Dao Heng Bank Plc	11	Mount Banking	10
● Henry Ansbacher	10	Duncan Lawrie	10	NatWestminster	10
B & C Merchant Bank	10.5	Equatorial Bank plc	10	Northern Bank Ltd	10
Bank of Baroda	10	Exeter Bank Limited	10.5	Nykredit Mortgage Bank	10.5
Banco Bilbao Vizcaya	10	Financial & Gen. Bank	10	Provincial Bank PLC	14
Bank of Cyprus	10	● Robert Fleming & Co.	10	● Rea Brothers	10
Bank of Ireland	10	Robert Fraser & Ptnrs.	10.5	Roxburghe Bank Ltd.	11
Bank of India	10	Girobank	10	Royal Bk of Scotland	10
Bank of Scotland	10	● Guinness Mahon	10	● Smith & Williamson Secs.	10
Banque Belge Ltd	10	Habib Bank AG Zurich	10	Standard Chartered	10
Barclays Bank	10	● Hambros Bank	10	TSB	10
Brit Bk of Mid East	10	Hampshire Trust Plc	13.5	Unibank plc	10
● Brown Shipley	10	Heritable & Gen Inv Bnk	10	● United Bk of Kuwait	10
CL Bank Nederland	10	● Hill Samuel	10	Unity Trust Bank Plc	10
Citibank NA	10	C. Hoare & Co.	10	Western Trust	10
City Merchants Bank	10	Hongkong & Shanghai	10	Whiteaway Laidlaw	10
Clydesdale Bank	10	Julian Hodge Bank	10	Yorkshire Bank	10
Co-operative Bank	10	● Leopold Joseph & Sons	10		
Coutts & Co	10	Lloyds Bank	10		
		Meghraj Bank Ltd	10		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

Futures recover

STERLING futures dipped even further in early morning trading yesterday as dealers became increasingly concerned about the pound's fall the night before on the foreign exchanges.

However, futures recovered later in the day as the pound stabilised at around DM2.79 against the D-Mark, and the dollar rallied further against the German currency.

In the early morning, the December short sterling contract opened 6 basis points down at 89.17 and quickly dipped to a low of 89.14. It later recovered, however, to close 13 basis points up on the day at 89.30. Trading in the September contract, which expires next week, was far less volatile. After dipping to a low of 89.26, the contract later recovered to close at 89.45.

One clearing bank dealer said that there was no sign that the Bank of England had yet bought sterling on the foreign exchanges by means of its recent D-Mark borrowing facility, and that this helped to support the currency.

But the market remained very tense. Unlike Wednesday's trading, yesterday's rumours pointed to an easing of German policy. One trader noted that there were suggestions that the German government could reintroduce the income tax surcharge which would help the Bundesbank reduce rates.

Period rates in the interbank market also reflected slight optimism after the hairy close to trading on Wednesday. Three-month money softened to close at 10⅞ per cent on the offered side from a previous close of 10¹⁵⁄₁₆ per cent. One-month money, which is an important indicator of whether the Bank of England will have to raise rates, also softened from 10½ per cent on the offered side to 10¼ per cent.

The softening of the short dates was partly caused by the Bank of England's accommodating position in themoney market, dealing in all four bands. In the morning, the Bank bought £29m of Band 3 bills at 9¾ per cent, £4m of Band 4 Treasury bills and £258m of Band 4 bank bills at 9¹¹⁄₁₆ per cent. Later the Bank purchased £45m of Band 3 bank bills and £12m of Band 4 bank bills.

The forecast was later revised to around £850m, and the Bank purchased £106m of Band 1 bank bills at 9¾ per cent. There was late assistance of £220m.

UK clearing bank base lending rate
10 per cent
from May 5, 1992

FT LONDON INTERBANK FIXING

11.00 a.m. Sep.10	3 months US dollars		6 months US Dollars	
	bid 3³⁄₁₆	offer 3⁵⁄₁₆	bid 3⅛	offer 3¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

Lunchtime					
		One month	2.89	Three year	4.34
		Two month	3.01	Five year	5.28
Prime rate	6	Three month	2.97	Seven year	5.82
Broker loan rate	5	Six month	3.02	10-year	6.34
Fed funds	3¼	One year	3.16	30-year	7.26
Fed funds at intervention	-	Two year	3.85		

Sep 10	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.65-9.75	9.70-9.80	9.70-9.80	9.75-9.85	9.75-9.85	9.75
Paris	9¾-10	10⅛-10⅜	10⅜-10⅝	10⅜-10½	10⅜-10½	9.60
Zurich	7⅛-7⅝	7⅝-7⅞	-	7⅝-7⅞	-	-
Amsterdam	9.62-9.75	9.75-9.85	-	9.75-9.85	-	-
Tokyo	4⅛-4⅜	4⅛-4⅜	-	4⅜-4⅛	-	-
Milan	17⅞-18	24⅛-24⅝	-	18⅝-21⅝	-	-
Brussels	9⅝-9⅞	9⅝-9⅞	-	9⅝-9⅞	-	-
Dublin	9¹⁵⁄₁₆-10⅛	10½-10⅝	10⅝-10⅝	10⅝-10⅞	10¹¹⁄₁₆-10¹³⁄₁₆	-

LONDON MONEY RATES

Sep 10	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	10⅛	9⅞	10¼	10⅞	10¾	10¹³⁄₁₆
Interbank Bid	9⅞	9⅝	10	10⅝	10⅝	10⅝
Sterling CDs	-	-	10⅛	10⅝	10½	10½
Local Authority Deps	9¾	9⅝	10⅛	10⁷⁄₁₆	10⅝	10¹¹⁄₁₆
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	9⅞	9¾	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	10⅛	10½	10⅝	10⅝
Treasury Bills (Buy)	-	-	9¹¹⁄₁₆	9¹¹⁄₁₆	9¹¹⁄₁₆	-
Bank Bills (Buy)	-	-	9¹¹⁄₁₆	9¹¹⁄₁₆	9⅝	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	3.02	3.04	3.07	3.17
SDR Linked Dep. Offer	-	-	6¼	6⅝	6⅝	6⅝
SDR Linked Dep. Bid	-	-	6	6½	6½	6½
ECU Linked Dep. Offer	-	-	11⅝	11⅝	11½	11¼
ECU Linked Dep. Bid	-	-	11⅜	11⅜	11⅜	11⅛

Treasury Bills (sell): one-month 9¹¹⁄₁₆ per cent; three months 9¾ per cent; six months 9¾ per cent; Bank Bills (sell): one-month 9¹¹⁄₁₆ per cent; three months 9²¹⁄₃₂ per cent; Treasury Bills: Average tender rate of discount 9.5879. ECGD Fixed Rate Sterling Export Finance. Make up day August 28, 1992. Agreed rates for period Sep. 23, 1992 to October 25, 1992, Scheme I: 11.38 p.c. Schemes II & III: 11.66 p.c. Reference rate for period August 1, 1992 to August 28, 1992, Scheme IV&V: 10.379 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10½ from September 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6), Deposit £100,000 and over held under one month 6½ per cent; one-three months 9 per cent; three-six months 9 per cent; six-nine months 8½ per cent; nine-twelve months 8½ per cent; Under £100,000 7 per cent from May 6 1992. Deposits withdrawn for cash 5 per cent

MONEY MARKET FUNDS

Money Market Trust Funds

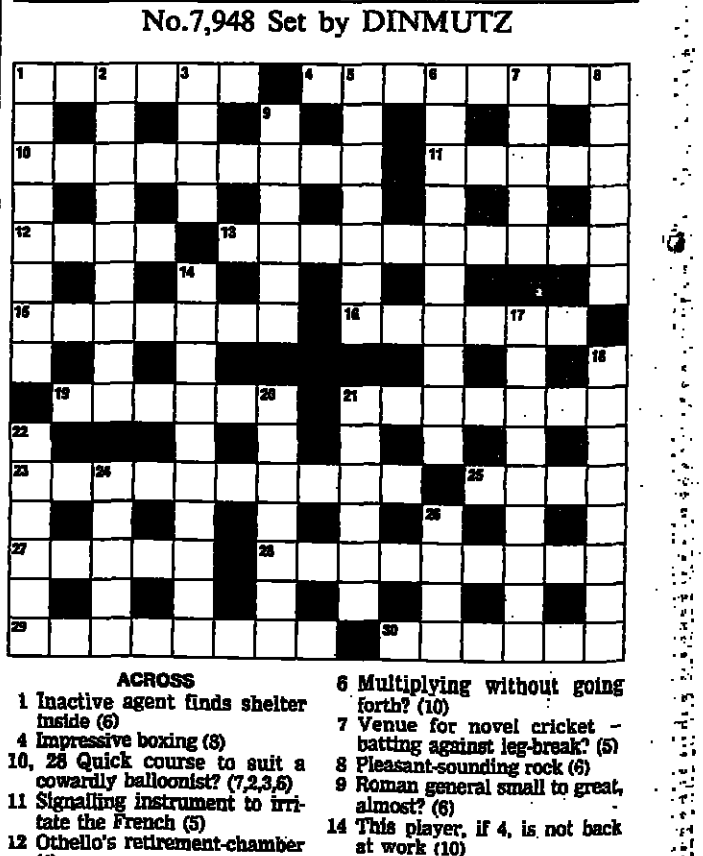
[illegible]

Money Market Bank Accounts

[illegible]

CROSSWORD

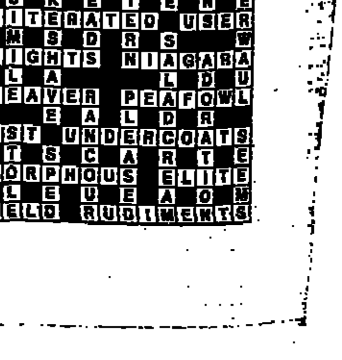
No.7,948 Set by DINMUTZ



ACROSS
1 Inactive agent finds shelter inside (6)
4 Impressive boxing (8)
10, 28 Quick course to suit a cowardly balloonist? (7,2,3,6)
11 Signalling instrument to irritate the French (5)
12 Othello's retirement-chamber (4)
13 Elegance of pilots seen at sea (10)
15 Smart Circle Line provides coffee substitute (7)
16 One who prods a gerund-grinder? (6)
19 B-bingo is merry! (6)
21 Kind of oil produced in Leeds, perhaps (7)
23 Barbaric, knocking out a grouse! (10)
25 Tariff for fellows at university (4)
27 How to change right and left fingerprint? (5)
28 See 10
29 Broke restriction – krone put into circulation (8)
30 Aintree favourite returned to make a killing (6)

DOWN
1 Village sports event to devastate people? (4,4)
2 Leader of trio, ideal for variation (9)
3 Fish in a diving position (4)
5 Rigidity is troublesome at first in one's movement (7)
6 Multiplying without going forth? (10)
7 Venue for novel cricket – batting against leg-break? (5)
8 Pleasant-sounding rock (6)
9 Roman general small to great, almost? (6)
14 This player, if 4, is not back at work (10)
17 Sheep-kissed, like a horse in bad shape? (3-6)
18 Loss-assessor fair in dear ruin (8)
20 The shortest dance (3-4)
21 Half of a funny turn in the bay (6)
22 Spinner's trap set around the corner? (6)
24 This old character protects Rose (5)
26 Tuba arrangement for band we hear (4)

Solution to Puzzle No.7,947



WORLD STOCK MARKETS

AUSTRIA

September 10	Sch	+ or −
Austrian Airlines	1,880	+20
Creditanstalt Pf	392	....
EA General	2,460	+5
EVN	748	−7
Jungbunzlauer	15,300	....
OeMV	674	−8
Perlmooser Zement	1,130	....
Radex Heraklith	430	−3
Reininghaus Brue	1,101	−4
Steyr Daimler	188	....
Veitscher Magnesit	311	....
Verbund (Br) A	424	−3
Wienerberger	3,270	−70
Z-Laenderbank	985	−5

BELGIUM/LUXEMBOURG

September 10	Frs.	+ or −
AG Group	1,750	+40
Ackermans	2,690	−15
Almanij	5,670	+160
Arbed	3,180	+10
BBL	3,275	....
Bank Intl a Lux	11,500	....
Banq Gen Lux Pts	11,750	−50
Bekaert	10,800	....
CBR Ciment	7,300	−100
CMB	1,625	−15
Cobepa	4,320	−30
Cockerill Priv	136	....
Colruyt	4,500	+60
Delhaize Frs Lion	1,505	+5
Electrabel	4,765	+60
Electrabel AFV1	4,640	+40
Electrafina ACT	2,300	−10
[illegible]	2,570	+50

FRANCE (continued)

September 10	Frs.	+ or −
Carrefour	2,162	+70
Casino	137.20	−3.60
Cetelem	755	−10
Chargeurs	1,132	−4
Club Mediterranee	396	−3.80
Coflexip	312	+1.50
Coparex Int	382	....
CCF	177	+2
Cr Fonc France	780	+13
Cred Lyon (CI)	494	−5
Credit National	858	+3
Damart	2,980	+32
Docks de France	380	+11
Dollfus Mieg Cie	303	−2
EBF	800	....
Eaux Cie Genl	2,135	−40
Ecco	390	−1
Elf Aquitaine	341	+8.10
Elf Aquitaine Certs	226	+6
Elf Sanofi	1,099	+12
Eridania B-Say	625	....
Eridania B-Say Cl	472	+0.50
Essilor Int	391.60	−4.30
Eux	1,725	−5
Euralrance	1,101	−4
Euro RSCG	570	+5
Euro Disney	80.25	+0.60
Fin Poliet	406	+25
Finextel	95.50	−1.50
Fonc Lyonnaise	577	−4
From G et Aux	3,250	−10
GTM-Entrepose	371	−19
Gal. Lafayette	1,950	−49
Gaumont (Soc N)	452	+12
Geophysique	675	....
Hachette	105.90	−1.30

GERMANY (continued)

September 10	Dm.	+ or −
Dragerwerk	291	+1
Dresdner Bk	325.50	+0.50
Fag Kugelfischer	185	....
GEHE	377.50	+13.50
Gerresheimer	243.50	−1
Goldschmidt (TH)	875	....
Hamburg Elekt	180	....
Hapag Lloyd	440	....
Heideib Zem	842	−13
Henkel Prf	579.50	−1.50
Herlitz	257	+1
Hochtief	945	+5
Hoechst	237.80	+1.10
Holzmann Ph	805	−5
Horten	145	+2
IKB Deutsche Ind	246	−0.50
Industrie Werke	257	+1.50
Kali & Salz	105	+1
Karstadt	526	−4.50
Kaufhof	423	+7
KHD	99	−2
Klockner Werke	72.70	−2.30
Lahmeyer	628	....
Leifheit	417	−8
Linde	755	−3
Linotype-Hell	365	+3
Lufthansa	103.50	+3
Lufthansa n/v Prf	76.20	+0.20
MAN	284	+2
MAN Pref	234.90	+1.90
Mannesmann	295.30	+0.30
Mannheim Vers	682	....
Mercedes Hld	472	+3
Metallgesellschaft	315	−5
Merck Roeck (Reg)	2,070	—
PWA	175	....

NETHERLANDS (continued)

September 10	Fls.	+ or −
AMEV Dep Recs	55	−0.20
Bols Lucas Dep Recs	42.20	+0.30
Borsumij W Ct DpRcs	55	....
BuehrmannT Ct DpRcs	33.90	−0.10
CSM Dep Recs	98.20	+0.20
DAF	16.50	+0.10
DSM	99.90	−0.10
Dordtsche Petr	131.70	+0.70
Elsevier Dep Recs	110.50	−0.60
Fokker Dep Recs	20.40	+0.40
Gamma	99	+0.80
Gist Broc Dep Recs	33.60	−0.90
Heineken	164.70xd	−0.60
Hollnd Beton	200	+5
Hoogovens Dep Recs	37.40	−0.10
Hunter Douglas	44.50	−0.50
IHC Calland	86.60	+0.30
Int Mulled Dep Recs	42.20xd	−1.80
Intl Mueller	61.30	−0.20
KLM	28	−0.20
KNP	39.90	+0.40
Kon Pakhoed DpRcs	32.80	−0.10
Kempen	7.40	−0.10
Nedlloyd	33.60	+0.30
Nijverd-Ten Cate	98.50	−0.50
Natr Ver Bed Dp Rcs	130.50xd	....
Oce V Grint	53.30	−0.20
Philips	23.40	−0.50
PolyGram	45.50	+0.70
Robeco	88.20	....
Rodamco	42.10	+0.10
Rolinco	89.60	−0.20
Rorento	74.10	−0.10
Rol Bosk Wstm DpRc	23	+0.40
Royal Dutch	142.30	+0.60
Stork NV	30.50	+0.20
Unilever Dep Recs	180.70	+0.80

CANADA

INDICES

**Saturday September 5: Taiwan Weighted Price: (c), Korea Comp Ex. 534.69.
‡ Subject to official recalculation. *Calculated at 15.00 GMT
Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Thursday, September 10, 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Meiji Milk	2.1m	1,120	-70	Nippon Mining	0.8m	496	-10
Green Cross	2.1m	1,780	-100	Nippon Zeon	0.8m	780	-25
Ishi-Har Hvy	1.1m	517	+7	Kawasaki Kisen	0.7m	462	+13
Sumitomo Cmnt	1.0m	599	+20	Isuzu Motor	0.7m	385	-18
Kaisei Elec	1.0m	857	+44	Tokyu Corp	0.6m	666	+28

3 pm September 10

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15¾	11⅞	AAR Corp	0.48	3.9	19	30	12⅛	12⅛	12⅛	+⅛
26	18	A L Labs A x	0.18	0.8	80	83	22⅞	22⅝	22⅝	-⅛
68¾	52⅝	AMP Inc	1.52	2.6	23	940	58⅞	57½	58¾	+⅞
80¼	55	AMR				227031	60⅞	59¾	60¾	+1⅛
2⅞	1¼	ARX			18	20	1⅝	1⅝	1⅝	
53½	35	ASA	2.00	5.8	22	494	36⅛	d35⅞	34⅝	-⅞
34¼	26⅛	Abbott Lab	0.60	2.0	21	4644	30½	30¼	30⅜	+⅛
13⅞	11⅞	Abitibi Pr	0.50	4.0	6	8	12½	12⅜	12⅜	+⅛
11⅝	10⅛	ACM Gvt In x	1.06	9.4		126	11¼	11⅛	11¼	+⅛
10⅛	9⅛	ACM GvOpp x	0.91	9.3		23	9⅞	9¾	9¾	-⅛
9½	8½	ACM Gvt Sp x	0.88	9.4		840	u9⅝	9⅜	9½	
11¼	10⅛	ACM Gvt Se	1.08	9.7		661	u11¼	11⅛	11⅛	
10⅜	8⅝	ACM Man x	0.88	8.5		271	u10⅛	10⅛	10⅛	+⅛
12⅞	10½	ACM Mangd x	1.15	10.3		142	11¼	11⅛	11⅛	+⅛
11¾	4¾	Acme Cleve	0.40	6.2	12	21	6⅝	6½	6½	
6¼	4⅜	Acme Elect			34	19	4⅝	4½	4½	-⅛
33¼	16	Acuson			10	684	16⅛	d16	16	-⅛
19½	18⅛	Adams Expr	0.48	2.5	0	51	u19½	19⅛	19⅛	
49⅛	29½	Ad Micro	3.00	7.8		74	38¾	38⅛	38½	+⅛
21½	7½	Ad Micro P	3.00	24.7		49024	12⅛	11⅝	12⅛	+⅝
9⅛	4⅞	Advest Grp	0.16	2.8	70	7	5⅝	5½	5⅝	
40⅞	33	Aegon ADR x	1.68	4.2	7	93	40¼	39⅞	40	+⅛
47	38¼	Aetna Lf	2.76	7.2	9	769	38¾	38⅜	38½	-⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- B -

- C -

- D -

- E -

- F -

- G -

- H -

- I -

- J -

- K -

- L -

- M -

- N -

- O -

- P - Q -

- R -

- S -

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

[illegible]

- X - Y - Z -

1992 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
82¼	66½	Xerox x	3.00	3.9	18	1136	77⅜	76¼	77¼	+⅞
55	50½	Xerox4.125 x				2	53¼	53¼	53¼	
33¾	24⅞	Xtra 1.94	1.94	6.2		3	31½	31½	31½	
45⅞	28½	Xtra Corp	0.80	1.9	13	99	43⅛	43	43	-½
30¼	25¼	Yankee Egy x	1.68	5.5	14	17	u30¾	30⅛	30¼	
1½	½	Zapata			26	485	1⅛	1	1	
11⅛	6¾	ZenithElec			4	403	6⅝	6½	6⅝	+⅛
19½	14½	Zenith Nat	1.00	5.7	8	19	17½	17⅜	17½	
7½	6	Zenix Inc	0.82	11.7		80	7⅛	7	7	-⅛
13¾	10	Zero Corp	0.40	3.7	17	822	11⅛	10¾	10⅞	-¾
38	27¾	Zurn Ind	0.88	2.9	33	226	30⅛	30	30⅛	-⅛
14⅛	12	Zweig Fund	1.12	8.7		121	13	12¾	12⅞	
11	9½	Zweig Totl x	0.96	9.3		357	10⅜	10¼	10⅜	+⅛

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year. omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3 pm September 10

[illegible]

NASDAQ NATIONAL MARKET

3 pm September 10

[illegible]

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Wiser Oil	0.40	52	10	15⅞	15⅝	15⅞	+¼
Wolohan L	0.28	15	38	22	21¼	21¼	-½
Wolv Expl		0	25	[illegible]	[illegible]	[illegible]	[illegible]
WhEdWDA			z100	[illegible]	[illegible]	[illegible]	
Worthington	0.48	22	3265	21¼	d20¾	20¾	-½
WPP Group	1	11	1612	1[illegible]	d1[illegible]	1¼	[illegible]
Wyman-Gdn	0.40	4	83	5⅛	4⅞	4⅞	-⅛

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		20	5553	18½	17¾	18½	+⅝
Xoma Corp		6	1976	11¼	d10½	11	+¼
Yellow Fr	0.94	21	794	25⅜	25⅛	25⅜	
York Rsch		7	2408	7⅛	6[illegible]	6⅞	-⅛
ZionsUtah	1.44	10	2	55¾	54½	55¼	+⅛

AMERICA

Level dollar and gains abroad boost equities

Wall Street

US SHARE prices edged higher yesterday morning, buoyed by strong overseas markets, a stable dollar and hopes that lower interest rates will boost economic activity, *writes Patrick Harverson in New York.*

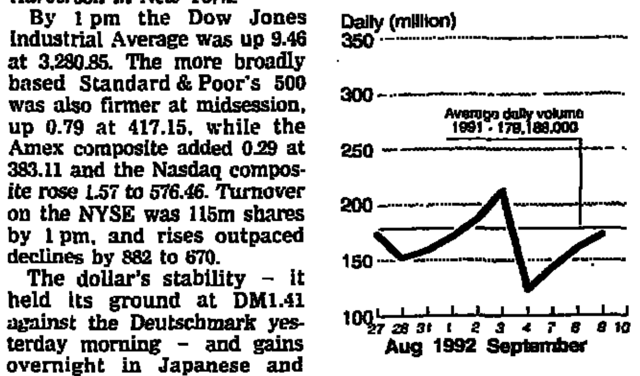
By 1 pm the Dow Jones Industrial Average was up 9.46 at 3,280.85. The more broadly based Standard & Poor's 500 was also firmer at midsession, up 0.79 at 417.15, while the Amex composite added 0.29 at 383.11 and the Nasdaq composite rose 1.57 to 576.46. Turnover on the NYSE was 115m shares by 1 pm, and rises outpaced declines by 882 to 670.

The dollar's stability – it held its ground at DM1.41 against the Deutschmark yesterday morning – and gains overnight in Japanese and European equity markets set the tone for a positive opening to trading. Sentiment was also cheered by hopes among some investors that the latest decline in interest rates will eventually feed through into economic growth.

The Labor department reported that state unemployment claims during the last week of August rose by 8,000. Although this was slightly smaller than expected by analysts, the figures indicated that labour market conditions throughout the country remain depressed. The next important economic news is the inflation data due out today. The market is expecting the producer price index to have risen by 0.1 per cent in August.

Among individual stocks, Chubb fell $½ to $75¾ after

NYSE volume



Kemper Securities lowered its 1992 earnings estimate to take account of losses which the insurer will incur as a result of Hurricane Andrew. Estimates put those losses at between $35m and $45m for Chubb.

National Semiconductor firmed $¼ to $12 on fiscal first-quarter net income of 17 cents a share, a big turnround from the $1.64 a share loss taken after a charge at the same stage of 1991.

Gillette fell $⅞ to $56½ after announcing the acquisition of theUK group, Parker Pen Holdings, for about $561m. The acquisition will be financed with new borrowings.

Best Buy edged $¾ higher to $17¾, although below its high for the day, after the electronic appliance retailer said that it was "comfortable" with analysts' forecasts of 25 cents a share earnings for the third quarter.

On the Nasdaq market, Apple fell $1 to $48 in heavy trading after the computer group announced a restructuring which would lead to job cuts and a fourth-quarter pretax charge of $20m.

Alliance Pharmaceutical plunged $4½, or 30 per cent, to $10¼ on news that clinical trials on two of the company's products will not resume this month.

Canada

TORONTO turned lower at midday, as expectations that the Bank of Canada will raise its key rate led to profit-taking in bank shares. The TSE-300 composite index was 8.5 weaker at 3,440.6 at midsession, in volume of 16.5m shares. Declines led advances by 204 to 187, and turnover was C$159.1m.

Among the most active stocks, PWA was up 10 cents at C$3.50, Air Canada was 40 cents lower at C$3.90 and Scott's Hospitality was C$⅛ *lower at C$14¼.*

Shell-shocked Argentina sees some rays of hope

But small investors may have been hurt too badly to care, writes John Barham from Buenos Aires

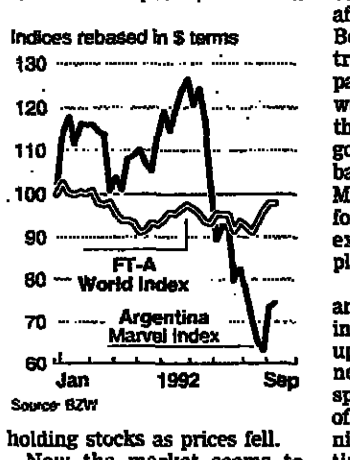
The worst is over for the Buenos Aires stock exchange, shell-shocked after a 45 per cent slide in share prices since June. That, at least, is the optimistic view being put about by local brokers, who forecast a gentle but uninterrupted rise in prices for the rest of the year.

Even if they are right, there is unlikely to be much cheering in the narrow streets of the city's financial centre. During the bull run earlier this year, crowds blocked traffic as they scanned the big electronic boards which flash up share prices during trading hours.

These small-time punters, many of whom gambled their life savings on the stock market or played the derivatives market, panicked when share values dipped and are unlikely ever to return. Neither are the dozen or so companies, which were bracing themselves to go public, likely to venture into such a depressed and unstable market. The strong flow of foreign capital may not have stopped, but it has slowed to a trickle as foreigners have become far more cautious.

All this is a great pity. Argentina has missed a golden opportunity to build a more widely based and more professional equity market, which could provide capital for companies and reasonable investment for savers. Instead, the Argentines' deep-seated speculative urges gained the upper hand.

Profit-taking and anxiety overseas about Latin stocks in June sent prices down. That was the signal for heavily leveraged investors to desert the market en masse, rather than increase their margins. Banks dumped their collateral on the stock market and investors locked into futures contracts, which they thought would yield a real 25 to 30 per cent annual profit, were left holding stocks as prices fell.



Source: BZW

Now the market seems to have stopped for a rest. Brokers, optimistic as ever, say it will start to move forward and are advising clients to buy. Analysts also believe prices have hit bottom. Mr Roberto Zorgno of economic consultants Macroeconomica says: "From now on, it is a smooth run upwards all the way to the end of the year."

Mr Eugenio Reynal, equities chief at investment bank Merchant Bankers Asociados, declares that the fourth quarter of 1992 will be the best this year. "Inflation will fall below one per cent a month and international interest rates will probably keep falling," he says. "The stock exchange is still not cheap, but I am looking very carefully at some companies. Research is 90 per cent of the decision now – before it was all instinct."

About two dozen private companies which include two affiliates of food giant Bunge y Born, Citibank's local industrial holding company, and paper maker Alto Parana, have won government approval for their listings and are ready to go public. But they are holding back, waiting for prices to rise. Mr Zorgno says equity finance for a blue chip is now twice as expensive as a local bond placement.

Mr Christopher Ecclestone, an equity analyst, says foreign investors will turn their nose up at any new stock which is not "well priced", with prospective price/earnings ratios of about 10. Three local companies, including Sevel, Argentina's biggest car company which builds Peugeot and Fiat cars under licence, have gone public this year. But in each case their prices have performed badly, making investors wary of new issues.

However, Mr Zorgno warns that his bullish forecast ends in December. He expects more unrest at the end of the year, when the costs of Argentina's tough adjustment policies start becoming brutally apparent. He says: "There is a big question mark at the end of the year."

EUROPE

Two December bets on German rate cut

THE Bundesbank could cut interest rates in December, *writes Our Markets Staff.* Mr James Cornish, a strategist with County NatWest, said yesterday that Bundesbank professional staff see room for a percentage point cut in discount rate then, probably with a smaller fall in Lombard rate as well.

Meanwhile, Mr Eberhard Martini, president of the German Banking Association and chairman of Bayernhypo, said in a magazine interview that German interest rates could come down "at the beginning of next year at the latest, possibly though in December."

FRANKFURT rallied from midsession lows, the DAX index closing 3.41 higher at *1,528.67 after a 5.06 fall to* 597.37 in the FAZ at midsession. Turnover was little changed at DM4.2bn.

Dealers gave futures markets the credit for the rebound. Heavyweights featured with Allianz closing DM5 higher at DM1,730 after a DM25 fall to its low for the day.

Chemicals were mostly flat, but a large selling order from London and tomorrow's start of the subscription period for a one-for-seven rights issue saw Degussa drop DM10.30 to DM303 before finishing DM5 lower at DM308.30.

MILAN's privatisation candidates, Credito Italiano and Nuovo Pignone, were suspended yesterday and interest moved to companies for *which similar hopes had been* disappointed. The food group, Sme dropped L149, or 4.1 per cent to L3,501 and Banca Commerciale by L47 to L2,528.

An early rally on government capital gains moves and privatisation news faded as thoughts returned to Italy's present financial situation, and a rise of 1.63 to 376.26 in the Comit index at the official close was replaced by a fall of nearly 1 per cent in London post-bourse trading.

PARIS advanced in a technical reaction to recent declines, the CAC-40 index rising 17.41 to 1,774.18 in turnover of FFr1.8bn.

Rhône-Poulenc, suspended limit down in the morning after cutting its projected 1992 *operating profit, saw its certifi*cates close down FFr70 or 11.6 per cent at FFr530 with some 354,000 shares traded.

St Gobain was another casualty, losing FFr13 to FFr516 on expectations of disappointing first half figures. Air Liquide gained from switching out of Rhône-Poulenc, putting on FFr19 to FFr745.

FT-SE Eurotrack 100 - Sep 10							
Hourly changes							
Open	10.30am	11 am	12 pm	1 pm	2 pm	3 pm	close
1022.08	1020.79	1021.29	1024.10	1025.62	1025.52	1026.81	1027.59
Day's High 1028.33				Day's Low 1019.94			
Sep 9	Sep 8	Sep 7	Sep 4	Sep 3			
1021.42	1029.38	1032.28	1029.27	1031.46			

Base value 1000 (26/10/90)

Among Nordic markets, SWEDEN's Affärsvärlden index lost 5.3 to 707.2 and OSLO's composite index advanced 6.09 to 309.33.

Mr David Longmuir of James Capel noted on Sweden that, while the collapse in the financial sector kept sentiment nervous, foreign buyers were seen coming into the market in late trading, focusing on international blue chips. Astra, whose A shares gained SKr2 to SKr512 while the B's were unchanged at SKr503, accounted for 25 per cent of turnover.

Mr Peter Bradshaw, Scandinavian analyst at Robert Fleming, commented that Oslo remained resilient because of benefits derived from the oil *sector and lower interest rates.* Norsk Hydro climbed NKr5.50 to NKr130.00.

ZURICH rose as money market rates edged lower, the SMI index adding 13.7 to 1,792.8. However, Kuoni fell SFr200 to SFr29,700. The travel agency, which said yesterday that it has been shoring up its takeover defences after its largest shareholder selling out in May, has risen from a low of SFr13,400 early in the year.

BRUSSELS moved up in light trading, with banks and financial groups stronger on news that the Dutch insurer, ING, may bid for BBL. The Bel-20 index advanced 7.16 to 1,073.21.

BBL, which closed at BFr3,275 on Wednesday, was suspended from trading yesterday amid uncertainty over the possible ING bid.

Elsewhere, Tessenderlo rose BFr40 to BFr6,050 after announcing an increase in interim earnings in spite of a worldwide downturn in the chemical industry. In the same sector, UCB rose BFr400 to BFr22,350 after announcing a rise in first half profit after the *close on Wednesday.*

AMSTERDAM saw strong interest in ING, down Fl 1.80 to Fl 42.20 on the BBL story. The CBS Tendency index closed 0.2 weaker at 108.3. Royal Dutch firmed 60 cents to Fl 142.30 after announcing a higher interim dividend.

MADRID's general index lost 2.37 to 207.65.

ASIA PACIFIC

Tokyo volume climbs as Hong Kong shivers

Tokyo

A LATE bout of futures-related selling pared earlier gains to leave the Nikkei average only *modestly higher on the day, writes Neil Weinberg in Tokyo.*

The 225-issue average gained a net 32.92 at 18,908.47 after registering a day's high of 19,284.12, its best level for more *than five months, and a low of* 18,894.22.

Turnover expanded sharply to 600m shares, while rises outpaced falls by 686 to 339, with 137 issues unchanged. The *Topix index of all first section* stocks finished 1.45 up at 1,414.97, while in London the ISE/Nikkei 50 index was a slight 0.69 firmer at 1,142.22.

After clearing the 19,000 mark with ease, the Nikkei was pulled down by futures-related selling ahead of today's expiration of September futures. The afternoon retreat from earlier levels contrasted with the previous day, when a late round of futures-linked activity pushed the index sharply ahead.

A trader speculated that the financial authorities may be influencing trading behind the scenes to support the market until after the first half of the fiscal year account closes at the end of the month. The Finance Ministry is widely acknowledged to be putting pressure on companies not to sell shares before that date.

The Bank of Japan is scheduled today to release its *tankan* quarterly economic survey. The results are expected to show further deterioration in the economy, but the market has already discounted this into equity prices.

Speculative biotechnology and pharmaceutical shares, which have performed strongly in recent sessions, suffered a bout of heavy selling. Meiji Milk, the day's most active issue, was off Y70 at Y1,120 amid cross-trading, and Green Cross lost Y100 to Y1,780.

Public works-related shares fared well, with Sumitomo Cement rising Y20 to Y559 and Osaka Cement Y7 to Y442.

In Osaka, the OSE average rose 336.17 to 20,394.79 in vol*ume of 32.2m shares. Aoyama* Trading fell Y430 to Y7,190.

Roundup

POLITICAL worries in Hong *Kong provided the main fea*ture of the day elsewhere in the Pacific Rim region.

HONG KONG finished sharply lower on worries about worsening Sino-US trade relations, the Hang Seng index recording a fall of 95.44, or 1.7 per cent, at 5,631.55 in turnover down from Wednesday's HK$1.51bn to HK$1.46bn.

China's retaliation plan against possible US trade sanctions, with a list of US goods *targeted for punitive tariffs,* combined with uncertainties over President George Bush's political future, and leading blue chips, which had gained in a recent rebound, lost the *most. HSBC topped the actives* list and ended HK$1 off at HK$54.50, while Cheung Kong, 40 cents down at HK$22.40, came second.

NEW ZEALAND was dragged *lower by continuing weakness* in Fletcher Challenge (FLC). The NZSE-40 index declined by 6.18 to 1,453.78 in turnover of NZ$31.8m.

News that FLC was about to sell a third of its stake in Natural Gas to Australian Gas Light for NZ$152m, and another third to the public, failed to improve sentiment in the stock, which closed 8 cents cheaper at NZ$2.14.

AUSTRALIA reversed early *falls and the All Ordinaries* index was finally 5.1 up on balance at 1,484.0, after touching 1,462.3. Turnover amounted to A$266.3m.

Banks were generally higher, *with Westpac advancing 13* cents to A$2.88 after more than 33m rights to the bank's forthcoming share issue were traded.

SINGAPORE ended firmer but sentiment was dampened in the afternoon by the Hong Kong performance. The Straits Times Industrial index recorded a net gain of just 3.53 at 1,372.07.

KUALA LUMPUR weakened after Wednesday's holiday, although motor shares gained ground on news that the government will ease financing for the purchase of commercial vehicles. The composite index slipped 2.42 to 584.19 in volume *of 56.4m shares.*

BANGKOK closed at a four-month high, with banks and finance issues among the day's main gainers. The SET index put on 8.35, or 1 per cent, to 791.20 in turnover of Bt12.68bn.

Union Asia Finance, unchanged at Bt113, was the day's most active stock on turnover of Bt1.13bn.

MANILA's composite index gained 5.53 at 1,412.00 in combined turnover of 195m pesos.

TAIWAN saw very thin trade ahead of its closure for the mid-autumn festival today and tomorrow, but the weighted index finished 15.38 higher at 3,785.50.

SOUTH AFRICA

JOHANNESBURG remained nervous, although the gold *index recovered slightly from* an intraday low of 845 to close down 33 at 857 as some overseas investors returned to the market. The overall index fell 36 to 3,049, off a 12 month low of 3,038, and industrials shed 37 to 3,991. Vaal Reefs lost R5 to R118.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 9 1992								TUESDAY SEPTEMBER 8 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (68)	124.36	−0.8	93.35	96.84	91.23	114.97	−1.5	4.54	125.36	92.74	97.23	90.69	116.77	153.66	124.36	149.78
Austria (19)	156.70	−1.3	117.63	122.03	114.95	114.69	−0.1	2.55	158.82	117.50	123.19	114.90	114.84	186.70	139.27	184.01
Belgium (42)	143.64	−1.4	107.82	111.85	105.37	103.09	+0.0	5.97	145.67	107.77	112.87	105.38	103.10	152.27	135.87	130.37
Canada (114)	125.90	−0.7	94.51	98.04	92.35	110.67	+0.1	3.14	126.82	93.82	98.36	91.74	110.57	142.12	124.32	136.75
Denmark (33)	216.36	−1.7	162.42	168.50	158.71	160.30	−0.4	1.77	220.09	162.83	170.71	159.22	160.97	273.94	211.06	254.44
Finland (15)	53.09	−1.1	39.85	41.35	38.95	50.35	+0.8	2.80	53.68	39.70	41.62	38.82	49.93	89.80	53.09	95.41
France (102)	161.97	−2.0	121.59	126.13	118.81	122.15	−0.5	3.68	165.26	122.26	128.17	119.55	122.81	168.75	148.06	139.43
Germany (64)	118.24	−2.7	88.76	92.10	86.74	86.74	−1.3	2.64	121.47	89.86	94.22	87.87	87.87	129.69	114.42	110.19
Hong Kong (53)	235.52	+0.6	176.80	183.41	172.78	233.69	+0.6	3.61	234.14	173.22	181.60	169.39	232.32	259.55	176.36	165.31
Ireland (16)	157.32	−1.0	118.09	122.51	115.40	117.75	+0.1	4.49	158.91	117.56	123.25	114.96	117.63	173.71	151.78	160.65
Italy (78)	59.86	+0.7	44.94	46.62	43.91	48.15	+2.0	4.33	59.43	43.97	46.10	43.00	47.18	80.86	58.17	71.81
Japan (473)	115.24	+1.3	86.51	89.75	84.55	89.75	+1.8	0.95	113.72	84.13	88.20	82.28	88.20	140.95	87.27	127.83
Malaysia (69)	240.00	+0.0	180.16	186.89	176.05	230.25	+0.0	2.74	240.00	177.55	186.14	173.62	230.25	250.47	212.49	204.48
Mexico (18)	1287.67	−1.3	966.62	1002.79	944.60	4311.60	−1.4	1.39	1304.20	964.87	1011.54	943.51	4371.23	1789.77	1259.94	1199.49
Netherland (25)	164.98	−1.3	123.84	128.48	121.03	119.72	+0.0	4.69	167.16	123.67	129.65	120.93	119.67	167.29	147.88	141.20
New Zealand (14)	42.05	−0.4	31.56	32.75	30.84	41.25	−1.0	5.51	42.22	31.24	32.75	30.56	41.68	48.52	41.90	46.93
Norway (22)	139.65	−2.6	104.84	108.76	102.45	105.68	−1.4	2.29	143.38	106.07	111.20	103.73	107.23	192.95	136.40	200.96
Singapore (38)	192.93	−0.5	144.82	150.24	141.52	141.58	−0.4	2.34	193.92	143.46	150.40	140.28	142.09	229.63	180.71	197.85
South Africa (61)	177.04	−2.7	132.90	137.87	129.87	151.61	−1.8	3.36	182.00	134.65	141.16	131.66	154.33	263.60	177.04	244.92
Spain (48)	140.64	−3.1	105.57	109.53	103.17	97.49	−2.1	6.13	145.19	107.41	112.61	105.03	99.54	161.72	133.79	152.47
Sweden (30)	171.31	−3.7	128.60	133.42	125.68	130.67	−2.5	3.15	177.82	131.55	137.92	128.64	134.05	200.28	171.31	196.67
Switzerland (61)	115.57	−1.8	86.76	90.01	84.79	89.64	−0.4	2.39	117.73	87.10	91.32	85.18	89.98	117.73	95.99	94.64
United Kingdom (228)	161.02	−2.0	135.88	140.96	132.78	135.88	−0.6	5.41	164.72	136.66	143.25	133.62	136.66	200.07	165.85	182.12
USA (522)	169.67	+0.5	127.36	132.14	124.47	169.67	+0.5	2.99	168.91	124.96	131.01	122.20	168.91	173.10	160.92	156.26
Europe (783)	146.66	−2.0	110.09	114.21	107.59	109.32	−0.6	4.36	149.62	110.69	116.04	108.24	109.96	158.88	139.31	141.97
Nordic (100)	157.51	−2.9	118.24	122.67	115.55	114.75	−1.7	2.61	162.20	120.00	125.80	117.34	116.73	188.52	157.51	189.42
Pacific Basin (715)	118.99	+1.2	89.33	92.67	87.29	94.45	+1.5	1.29	117.62	87.02	91.23	85.09	93.05	141.97	93.70	129.34
Euro-Pacific (1498)	130.19	−0.3	97.73	101.38	95.50	100.46	+0.5	2.69	130.56	96.59	101.28	94.45	99.92	145.21	113.80	134.68
North America (636)	166.93	+0.4	125.31	130.01	122.47	165.65	+0.4	3.00	166.27	123.01	128.97	120.30	164.93	170.31	158.70	154.98
Europe Ex. UK (555)	125.73	−2.0	94.38	97.93	92.25	94.02	−0.6	3.62	128.24	94.87	99.48	92.78	94.58	132.98	121.81	118.30
Pacific Ex. Japan (242)	155.72	−0.1	116.90	121.29	114.24	140.52	−0.4	3.78	155.88	115.32	120.92	112.78	141.04	175.31	149.00	144.30
World Ex. US (1691)	131.20	−0.4	98.49	102.18	96.25	102.40	+0.5	2.70	131.66	97.40	102.12	95.25	101.93	146.91	116.18	136.65
World Ex. UK (1985)	139.60	+0.2	104.79	108.72	102.41	121.86	+0.6	2.50	139.30	103.06	108.05	100.79	121.15	150.58	127.21	138.39
World Ex. So. Af. (2152)	143.05	+0.0	107.38	111.41	104.94	122.81	+0.5	2.81	143.06	105.83	110.96	103.50	122.22	153.05	130.04	141.60
World Ex. Japan (1740)	159.35	−0.5	119.62	124.11	116.91	142.22	+0.0	3.52	160.21	118.53	124.28	115.92	142.24	165.40	153.20	151.13
The World Index (2213)	143.18	+0.0	107.48	111.51	105.04	123.10	+0.5	2.82	143.23	105.96	111.10	103.63	122.54	153.70	130.66	142.18

Latest prices were unavailable for this edition. Malaysian market closed September 9.